

Department of Insurance

BUDGET REQUEST FISCAL YEAR 2007 GOVERNOR RECOMMENDATIONS

Matt Blunt, Governor
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MISSOURI DEPARTMENT OF INSURANCE

FY2007 BUDGET REQUEST GOVERNORS RECOMMENDATION

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MISSOURI DEPARTMENT OF INSURANCE

Department Overview

The Missouri Department of Insurance was created by the Missouri legislature on March 4, 1869 to regulate the insurance industry. The department was a division within the Missouri Department of Economic Development before June 30, 1991. The department then became a Cabinet-level agency based on a constitutional amendment passed by voters on Aug. 7, 1990. The department protects consumers through oversight of the insurance industry.

Department Organization

The Department organizational structure includes the director's office and four divisions.

- **Director's Office:** Charged with overseeing operations of the department. Handles regulatory transactions and provides legal assistance to other divisions in the agency.
- **Division of Resource Administration:** Responsible for department support functions—including accounting, personnel, budget and information systems. Also responsible for the licensing of insurance producers operating within the state as well as public adjusters, bail bondsmen and surplus lines brokers.
- **Division of Consumer Affairs:** Receives and investigates consumer complaints against insurance companies and producers. Provides consumer education and outreach.
- **Division of Market Regulation:** Reviews rates, policies, products and other pertinent material filed by insurance companies. Performs market conduct examinations of insurance companies.
- **Division of Financial Regulation:** Monitors and analyzes the financial solvency of insurance companies licensed in the state. Performs financial examinations of insurance companies. Certifies and collects taxes due the state.

Department Funding

The department currently has two designated funds and a federal grant that fund all department activities. The department has no general revenue. The **Insurance Dedicated Fund** is financed through licensing and filing fees. The **Insurance Examiners Fund** covers the expenses of financial and market conduct examinations. Actual costs are assessed against the company being examined plus a 15% administrative fee for supervision and support that includes the financial analysis section. Examination funds, including the 15% administrative fee, are used only in the Divisions of Financial Regulation and Market Regulation. A **federal grant** provides funds for the CLAIM (Community Leaders Assisting the Insured of Missouri) program that provides counseling to seniors on the purchase of Medicare supplement insurance as well as other insurance issues.

Table 1. MDI Funding Summary

	FY06 Appropriation*	FY06 FTE
Insurance Dedicated Fund	\$ 6,619,256	140.50
Insurance Examiners Fund	7,229,252	77.00
Federal	600,000	0
Total	\$ 14,448,508	217.50

*Does not include fringe benefits and other state allocated costs.

Tax Collection

Insurance companies licensed in Missouri are required to pay a 2% tax upon the premiums written in Missouri in lieu of income tax. Insurance companies may deduct several tax credits from the calculated tax. Whenever tax statutes of other states require greater tax than Missouri's tax statutes, the department must collect retaliatory tax. Premium and Retaliatory tax is deposited into General Revenue and School Funds. The tax collected on Surplus Lines is 5% of premiums written and is deposited into General Revenue. The tax collected for the Workers' Compensation Tax Fund goes to the Division of Workers' Compensation. The department does not receive any funding from these insurance taxes.

Table 2. MDI Tax Collection Tax Year 2003-2004

	Tax Year 2003	Tax Year 2004
Premium/Retaliatory Tax	\$ 152,933,412	\$ 162,889,675
Surplus Lines Tax	23,105,625	24,929,980
Workers' Compensation Tax	35,142,663	20,281,706
Total	\$ 211,181,700	\$ 208,101,361

Examinations

Financial Examinations monitor the financial condition of all domestic and foreign insurance companies operating in the state of Missouri. The goal of the examinations is to prevent insolvencies of domestic companies and to take the appropriate action against financially unsound or incompetently managed foreign and domestic companies. A financial examination is conducted approximately every three years on Missouri domiciled insurance companies (every five years on farm mutual insurers).

Market Conduct Examinations ensure equitable treatment of policyholders, determine compliance with the statutes and regulations of the state; and actively monitor the insurance marketplace. Poor market practices and poor management may eventually lead to the financial insolvency of insurers. Market Conduct examinations also serve to verify that the policyholders and beneficiaries receive the full benefits from the contracts into which they have entered. Through the process of a market conduct examination the department is able to identify potential problem areas as soon as possible in order to protect the consumers.

Department Accreditation

The Missouri Department of Insurance works in conjunction with the forty-nine other states under a joint umbrella regulation of the National Association of Insurance Commissioners (NAIC) to oversee the insurance industry. The NAIC is key to uniform solvency regulation of insurance companies in the United States. The Accreditation program and standard examination was developed to ensure each state strictly regulated its domiciled insurance companies in order that all other states could place reliance on that work. This eliminates the unnecessary examination of each insurance company by every state thereby reducing the time and cost involved. The department received accreditation by the NAIC on December 7, 2002. This accreditation award allows Missouri domiciled companies to operate without the expense of repeated examinations by other states.

Table 3. Comparison of MDI with other U.S. Insurance Departments*

	2003	2003 Ranking
Licensed Domestic Insurers	230	10
Total Licensed Foreign Insurers	1,384	32
Total Licensed Insurers	1,614	13
Premium Volume	\$ 23,401,377,833	19
Licensed Producers	108,654	11
Consumer Inquiries	63,651	12
Consumer Complaints	5,955	20
Net Revenues Collected	\$ 226,920,446	19
Budget	\$ 14,359,933	19
FTE	226.50	12

*Information from 2003 NAIC Insurance Department Resources Report (includes 50 states plus District of Columbia, Puerto Rico and Virgin Islands).

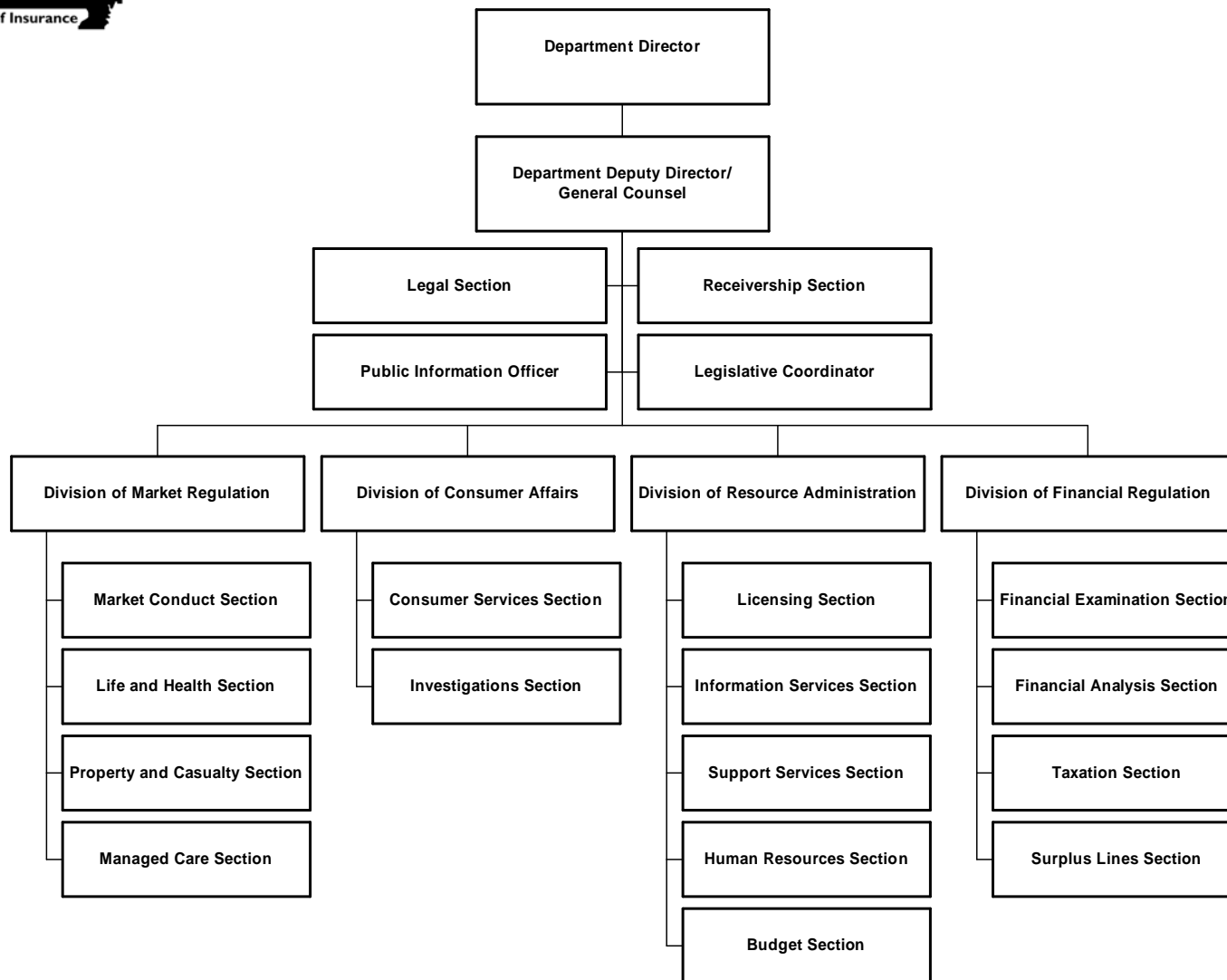


Missouri Department of Insurance
P.O. Box 690
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(573) 751-4126
www.insurance.mo.gov



Missouri Department of Insurance

Organizational Structure





Missouri Department of Insurance

State Auditor's Reports, Oversight Evaluations, and Missouri Sunset Act Reports

Program or Division Name	Type of Report	Date Issued	Website
Review of Insurance Mandates	Oversight Evaluation	Draft Issued	Not yet available
Department of Insurance Two Years Ended June 30, 2004	Auditor's Report	October 2005	www.auditor.mo.gov/press/2005-75.pdf
Department of Insurance Three Years Ended June 30, 2002	Auditor's Report	07-31-2003	www.auditor.mo.gov/press/2003-77.pdf
Department of Insurance Division of Consumer Affairs Complaint Processing	Auditor's Report	06-13-2002	www.auditor.mo.gov/press/2002-43.pdf
State Departments' Travel Regulations, Policies, and Procedures	Auditor's Report	09-25-2001	www.auditor.mo.gov/press/2001-95.pdf
Department of Insurance	Auditor's Report	04-03-2000	www.auditor.mo.gov/press/2000-22.pdf

DEPARTMENT OF INSURANCE**FINANCIAL SUMMARY**

	FY 2005 ACTUAL DOLLAR	FY 2006 BUDGET DOLLAR	FY 2007 DEPT REQ DOLLAR	FY 2007 GOV REC DOLLAR
ADMINISTRATION	5,590,469	5,507,529	5,385,545	5,558,972
IT CONSOLIDATION	0	1,068,355	0	0
MARKET CONDUCT & FINANCIAL EXAMINATIONS	6,142,738	7,072,624	7,072,624	7,279,720
HEALTH INSURANCE COUNSELING	639,248	800,000	800,000	800,000
DEPARTMENT TOTAL	\$12,372,455	\$14,448,508	\$13,258,169	\$13,638,692
FEDERAL - MDI	439,248	600,000	600,000	600,000
INSURANCE EXAMINERS FUND	6,142,738	7,229,252	7,072,624	7,279,720
DEPT OF INSURANCE DEDICATED	5,790,469	6,619,256	5,585,545	5,758,972

NEW DECISION ITEM

RANK: 2 OF 2

DEPARTMENT OF INSURANCE	Budget Unit <u>Various</u>
COST-OF-LIVING ADJUSTMENT	
DI# 0000012	

1. AMOUNT OF REQUEST

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Fed	Other	Total
PS	0	0	0	0	PS	0	0	380,523	380,523
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	0	0	PSD	0	0	0	0
Total	0	0	0	0	Total	0	0	380,523	380,523
 FTE	 0.00	 0.00	 0.00	 0.00	 FTE	 0.00	 0.00	 0.00	 0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	186,038	186,038
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: _____ Other Funds: Insurance Dedicated Fund (0566); Insurance Examiners Fund (0552)

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input checked="" type="checkbox"/> Pay Plan	<input type="checkbox"/> Other: _____	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

The Governor has recommended a 4% cost-of living adjustment for all employees, excluding elected officials, legislators, and judges.

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
GENERAL STRUCTURE ADJUSTMENT - 0000012								
OFFICE SUPPORT ASST (CLERICAL)	0	0.00	0	0.00	0	0.00	1,649	0.00
ADMIN OFFICE SUPPORT ASSISTANT	0	0.00	0	0.00	0	0.00	2,383	0.00
GENERAL OFFICE ASSISTANT	0	0.00	0	0.00	0	0.00	741	0.00
OFFICE SUPPORT ASST (KEYBRD)	0	0.00	0	0.00	0	0.00	4,385	0.00
SR OFC SUPPORT ASST (KEYBRD)	0	0.00	0	0.00	0	0.00	10,229	0.00
OFFICE SERVICES ASST	0	0.00	0	0.00	0	0.00	1,003	0.00
ACCOUNT CLERK II	0	0.00	0	0.00	0	0.00	3,683	0.00
ACCOUNTANT I	0	0.00	0	0.00	0	0.00	2,563	0.00
ACCOUNTANT II	0	0.00	0	0.00	0	0.00	1,458	0.00
BUDGET ANAL III	0	0.00	0	0.00	0	0.00	1,815	0.00
PERSONNEL ANAL II	0	0.00	0	0.00	0	0.00	1,403	0.00
RESEARCH ANAL II	0	0.00	0	0.00	0	0.00	4,095	0.00
RESEARCH ANAL III	0	0.00	0	0.00	0	0.00	1,403	0.00
RESEARCH ANAL IV	0	0.00	0	0.00	0	0.00	2,014	0.00
PUBLIC INFORMATION ADMSTR	0	0.00	0	0.00	0	0.00	1,603	0.00
MANAGEMENT ANALYSIS SPEC I	0	0.00	0	0.00	0	0.00	1,352	0.00
PLANNER I	0	0.00	0	0.00	0	0.00	1,256	0.00
PLANNER II	0	0.00	0	0.00	0	0.00	1,541	0.00
LEGISLATIVE COORDINATOR	0	0.00	0	0.00	0	0.00	1,667	0.00
INVESTIGATOR II	0	0.00	0	0.00	0	0.00	9,977	0.00
INVESTIGATOR III	0	0.00	0	0.00	0	0.00	1,572	0.00
INSURANCE PRODUCT ANALYST II	0	0.00	0	0.00	0	0.00	10,953	0.00
INSURANCE PRODUCT ANALYST III	0	0.00	0	0.00	0	0.00	3,087	0.00
INSURANCE FINANCIAL ANAL SPEC	0	0.00	0	0.00	0	0.00	1,431	0.00
WORKERS COMPENSATION SPEC	0	0.00	0	0.00	0	0.00	2,703	0.00
INSURANCE FINANCIAL ANALYST II	0	0.00	0	0.00	0	0.00	1,431	0.00
CONSUMER SERVICES SPEC II	0	0.00	0	0.00	0	0.00	13,915	0.00
CONSUMER SERVICES COORDINATOR	0	0.00	0	0.00	0	0.00	1,603	0.00
INSURANCE LICENSING TECH I	0	0.00	0	0.00	0	0.00	11,244	0.00
INSURANCE LICENSING TECH II	0	0.00	0	0.00	0	0.00	5,475	0.00
TAX AUDITOR I	0	0.00	0	0.00	0	0.00	4,679	0.00
TAX AUDITOR II	0	0.00	0	0.00	0	0.00	2,521	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
GENERAL STRUCTURE ADJUSTMENT - 0000012								
FISCAL & ADMINISTRATIVE MGR B2	0	0.00	0	0.00	0	0.00	2,014	0.00
HUMAN RESOURCES MGR B1	0	0.00	0	0.00	0	0.00	1,541	0.00
INSURANCE REGULATORY MGR B1	0	0.00	0	0.00	0	0.00	7,648	0.00
INSURANCE REGULATORY MGR B2	0	0.00	0	0.00	0	0.00	2,014	0.00
STATE DEPARTMENT DIRECTOR	0	0.00	0	0.00	0	0.00	3,884	0.00
DEPUTY STATE DEPT DIRECTOR	0	0.00	0	0.00	0	0.00	3,599	0.00
DESIGNATED PRINCIPAL ASST DEPT	0	0.00	0	0.00	0	0.00	3,817	0.00
DIVISION DIRECTOR	0	0.00	0	0.00	0	0.00	6,228	0.00
DESIGNATED PRINCIPAL ASST DIV	0	0.00	0	0.00	0	0.00	2,980	0.00
PARALEGAL	0	0.00	0	0.00	0	0.00	1,345	0.00
LEGAL COUNSEL	0	0.00	0	0.00	0	0.00	5,138	0.00
SENIOR COUNSEL	0	0.00	0	0.00	0	0.00	8,296	0.00
ACTUARY	0	0.00	0	0.00	0	0.00	8,089	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	173,427	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$173,427	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$173,427	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MKT CONDUCT & FINANCIAL EXAM								
GENERAL STRUCTURE ADJUSTMENT - 0000012								
OFFICE SUPPORT ASST (KEYBRD)	0	0.00	0	0.00	0	0.00	797	0.00
INSURANCE FINANCIAL ANAL SPEC	0	0.00	0	0.00	0	0.00	8,080	0.00
INSURANCE REGULATORY MGR B2	0	0.00	0	0.00	0	0.00	1,787	0.00
DIVISION DIRECTOR	0	0.00	0	0.00	0	0.00	6,560	0.00
DESIGNATED PRINCIPAL ASST DIV	0	0.00	0	0.00	0	0.00	2,182	0.00
LEGAL COUNSEL	0	0.00	0	0.00	0	0.00	1,728	0.00
SENIOR COUNSEL	0	0.00	0	0.00	0	0.00	4,802	0.00
AUDIT MANAGER-FINANCIAL EXAM	0	0.00	0	0.00	0	0.00	6,877	0.00
ASST CHIEF FINANCIAL EXAMINER	0	0.00	0	0.00	0	0.00	3,397	0.00
ASST CHIEF MARKET CONDUCT EXAM	0	0.00	0	0.00	0	0.00	3,433	0.00
M C EXAMINER II	0	0.00	0	0.00	0	0.00	14,711	0.00
M C EXAMINER III	0	0.00	0	0.00	0	0.00	29,813	0.00
EXAMINER-IN-CHARGE MC	0	0.00	0	0.00	0	0.00	31,267	0.00
AUDIT MANAGER-MARKET CONDUCT	0	0.00	0	0.00	0	0.00	6,648	0.00
FINANCIAL EXAMINER II	0	0.00	0	0.00	0	0.00	7,143	0.00
FINANCIAL EXAMINER III	0	0.00	0	0.00	0	0.00	49,176	0.00
EXAMINER-IN-CHARGE FINANCIAL	0	0.00	0	0.00	0	0.00	25,843	0.00
REINSURANCE EXAMINER	0	0.00	0	0.00	0	0.00	2,852	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	207,096	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$207,096	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$207,096	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
PERSONAL SERVICES								
DEPT OF INSURANCE DEDICATED	4,597,135	129.81	4,403,264	127.50	4,335,680	125.50	4,335,680	125.50
TOTAL - PS	4,597,135	129.81	4,403,264	127.50	4,335,680	125.50	4,335,680	125.50
EXPENSE & EQUIPMENT								
DEPT OF INSURANCE DEDICATED	993,334	0.00	1,104,265	0.00	1,049,865	0.00	1,049,865	0.00
TOTAL - EE	993,334	0.00	1,104,265	0.00	1,049,865	0.00	1,049,865	0.00
TOTAL	5,590,469	129.81	5,507,529	127.50	5,385,545	125.50	5,385,545	125.50
GENERAL STRUCTURE ADJUSTMENT - 0000012								
PERSONAL SERVICES								
DEPT OF INSURANCE DEDICATED	0	0.00	0	0.00	0	0.00	173,427	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	173,427	0.00
TOTAL	0	0.00	0	0.00	0	0.00	173,427	0.00
GRAND TOTAL	\$5,590,469	129.81	\$5,507,529	127.50	\$5,385,545	125.50	\$5,558,972	125.50

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CORE DECISION ITEM

DEPARTMENT OF INSURANCE					Budget Unit <u>37501C</u>				
DEPARTMENT ADMINISTRATION									
1. CORE FINANCIAL SUMMARY									
FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Fed	Other	Total
PS	0	0	4,335,680	4,335,680	PS	0	0	4,335,680	4,335,680
EE	0	0	1,049,865	1,049,865	EE	0	0	1,049,865	1,049,865
PSD	0	0	0	0	PSD	0	0	0	0
Total	0	0	5,385,545	5,385,545	Total	0	0	5,385,545	5,385,545
FTE	0.00	0.00	125.50	125.50	FTE	0.00	0.00	125.50	125.50
Est. Fringe	0	0	2,119,714	2,119,714	Est. Fringe	0	0	2,119,714	2,119,714
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.					Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				
Other Funds: Insurance Dedicated Fund (0566)					Other Funds: Insurance Dedicated Fund (0566)				
2. CORE DESCRIPTION									
<p>Core request for operations of the Missouri Department of Insurance. The Missouri Department of Insurance is responsible for overseeing the insurance industry's compliance with all Missouri insurance laws and regulations and protecting the interests of the Missouri insurance-buying consumer. The department licenses over 100,000 insurance producers (agents, brokers and agencies). The department, acting on complaints from consumers, investigates companies and producers accused of insurance law and regulation violations. The department certifies for collection over \$175 million in premium taxes paid by insurance companies for deposit into general revenue and school funds. The department provides information to over 40,000 consumers each year through a statewide toll-free hotline and continues to increase the amount of information and services available to both consumers and industry through the department's website.</p>									
<p>Note: The department is requesting a core reduction of two FTE due the reorganization of the Consumer Services Section. The department is consolidating all consumer service functions to the Jefferson City office and eliminating two coordinator positions for a savings of \$67,584 with no reduction in service to consumers. The Jefferson City Consumer Services Coordinator will oversee all consumer services representatives and support staff. Consolidation will be complete by 12/31/05. In addition, the department is requesting a core reallocation of two vacant FTE to implement SB 1233, which enacts the registration and the oversight of administrators of Motor Vehicle Extended Service Contracts and others. Oversight may include contract review, registration with the department, establishment of financial security evidence and policy and record keeping compliance. The legislation allows for examination and investigation of providers, administrators, insurers or others to protect service contract holders. In order to enforce the provisions of this bill, the department estimated the need for one Financial Analyst Specialist II for the processing of applications and review of the company financial statements or other proof of financial security. An Investigator II position was requested for the examination and investigation of these same entities. These legislative provisions are effective 1/1/07.</p>									

CORE DECISION ITEM

DEPARTMENT OF INSURANCE
DEPARTMENT ADMINISTRATION

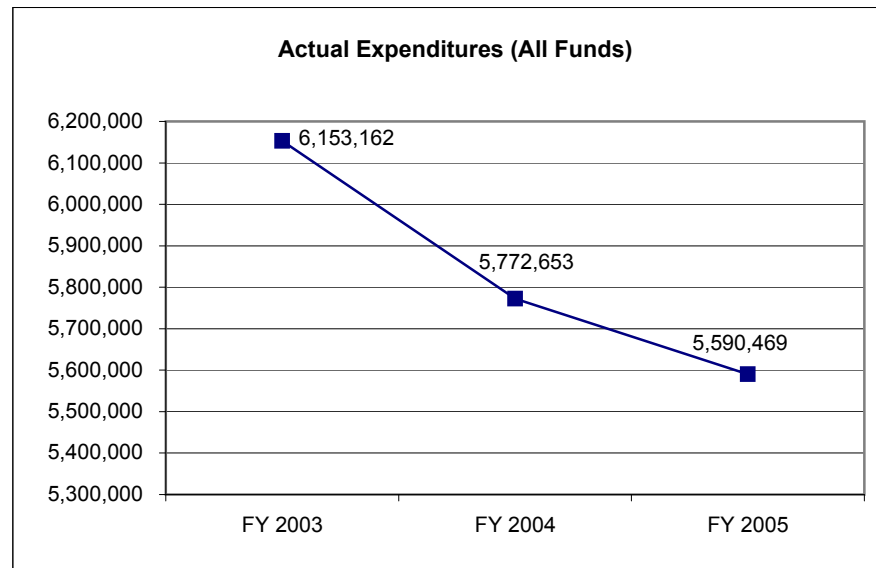
Budget Unit 37501C

3. PROGRAM LISTING (list programs included in this core funding)

Director's Office (includes the Department Director, Deputy Director, legal staff, public information staff and support staff)
 Division of Consumer Affairs (includes the Consumer Services and Investigations Sections)
 Division of Financial Regulation (includes the Premium Tax and Surplus Lines Sections)
 Division of Market Regulation (includes the Life and Health, Property and Casualty and Managed Care Sections)
 Division of Resource Administration (includes the Budget, Licensing, Personnel and Support Services Sections)

4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	6,940,784	6,804,032	6,455,680	5,507,529
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	6,940,784	6,804,032	6,455,680	N/A
Actual Expenditures (All Funds)	6,153,162	5,772,653	5,590,469	N/A
Unexpended (All Funds)	787,622	1,031,379	865,211	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	787,622	1,031,379	865,211	N/A
	(1)	(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

- (1) A number of cost saving measures, including the retirement incentive, were implemented in FY03 and FY04 that resulted in lapses.
 (2) Efficiency measures, such as the reorganization of Consumer Services and the combination of positions, such as the General Counsel/Deputy

Director increased the amount of lapse in FY2005.

CORE RECONCILIATION

DEPARTMENT OF INSURANCE DEPT ADMINISTRATION

5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		PS	127.50	0	0	4,403,264	4,403,264	
		EE	0.00	0	0	1,104,265	1,104,265	
		Total	127.50	0	0	5,507,529	5,507,529	
DEPARTMENT CORE ADJUSTMENTS								
1x Expenditures	[#2122]	EE	0.00	0	0	(54,400)	(54,400)	One-time contract programming for HB1182
Core Reduction	[#2121]	PS	(2.00)	0	0	(67,584)	(67,584)	Core reduction due to Consumer Services Reorg
NET DEPARTMENT CHANGES			(2.00)	0	0	(121,984)	(121,984)	
DEPARTMENT CORE REQUEST								
		PS	125.50	0	0	4,335,680	4,335,680	
		EE	0.00	0	0	1,049,865	1,049,865	
		Total	125.50	0	0	5,385,545	5,385,545	
GOVERNOR'S RECOMMENDED CORE								
		PS	125.50	0	0	4,335,680	4,335,680	
		EE	0.00	0	0	1,049,865	1,049,865	
		Total	125.50	0	0	5,385,545	5,385,545	

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
OFFICE SUPPORT ASST (CLERICAL)	41,132	2.00	41,232	2.00	41,232	2.00	41,232	2.00
ADMIN OFFICE SUPPORT ASSISTANT	61,380	2.25	78,948	3.00	59,580	2.00	59,580	2.00
GENERAL OFFICE ASSISTANT	18,466	1.00	18,516	1.00	18,516	1.00	18,516	1.00
OFFICE SUPPORT ASST (KEYBRD)	110,968	5.54	129,276	6.50	109,626	5.50	109,626	5.50
SR OFC SUPPORT ASST (KEYBRD)	233,268	10.05	232,956	10.00	255,720	11.00	255,720	11.00
OFFICE SERVICES ASST	24,442	1.01	25,068	1.00	25,068	1.00	25,068	1.00
COMPUTER INFO TECHNOLOGIST I	84,906	2.71	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST II	64,794	1.90	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST III	152,869	3.72	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV I	50,290	1.00	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV II	60,742	1.00	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SPEC I	68,463	1.43	0	0.00	0	0.00	0	0.00
ACCOUNT CLERK II	91,864	4.00	92,064	4.00	92,064	4.00	92,064	4.00
ACCOUNTANT I	132,038	4.60	64,080	2.00	64,080	2.00	64,080	2.00
ACCOUNTANT II	36,394	1.00	36,444	1.00	36,444	1.00	36,444	1.00
BUDGET ANAL III	44,434	1.00	45,384	1.00	45,384	1.00	45,384	1.00
PERSONNEL ANAL II	34,545	1.00	33,792	1.00	35,076	1.00	35,076	1.00
RESEARCH ANAL II	116,497	3.41	138,176	4.00	102,384	3.00	102,384	3.00
RESEARCH ANAL III	34,598	1.00	35,076	1.00	35,076	1.00	35,076	1.00
RESEARCH ANAL IV	48,243	0.96	50,340	1.00	50,340	1.00	50,340	1.00
PUBLIC INFORMATION ADMSTR	53,861	1.13	53,520	1.00	40,080	1.00	40,080	1.00
MANAGEMENT ANALYSIS SPEC I	0	0.00	33,792	1.00	33,792	1.00	33,792	1.00
PLANNER I	0	0.00	31,392	1.00	31,392	1.00	31,392	1.00
PLANNER II	38,482	1.00	38,532	1.00	38,532	1.00	38,532	1.00
LEGISLATIVE COORDINATOR	41,626	1.00	41,676	1.00	41,676	1.00	41,676	1.00
INVESTIGATOR II	185,628	5.37	214,056	6.00	249,424	7.00	249,424	7.00
INVESTIGATOR III	0	0.00	0	0.00	39,288	1.00	39,288	1.00
INSURANCE PRODUCT ANALYST I	54,960	2.07	0	0.00	0	0.00	0	0.00
INSURANCE PRODUCT ANALYST II	170,596	5.52	273,816	9.00	273,816	9.00	273,816	9.00
INSURANCE PRODUCT ANALYST III	77,072	2.00	77,172	2.00	77,172	2.00	77,172	2.00
INSURANCE FINANCIAL ANAL SPEC	0	0.00	0	0.00	35,772	1.00	35,772	1.00
WORKERS COMPENSATION SPEC	62,730	1.88	67,584	2.00	67,584	2.00	67,584	2.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
INSURANCE FINANCIAL ANALYST II	35,722	1.00	35,772	1.00	35,772	1.00	35,772	1.00
CONSUMER SERVICES SPEC I	56,586	2.12	0	0.00	0	0.00	0	0.00
CONSUMER SERVICES SPEC II	278,136	8.46	379,093	11.00	347,880	10.00	347,880	10.00
CONSUMER SERVICES COORDINATOR	56,070	1.37	122,544	3.00	40,080	1.00	40,080	1.00
CONSUMER SERVICES BRANCH SPV	26,620	0.67	0	0.00	0	0.00	0	0.00
INSURANCE LICENSING TECH I	234,052	10.89	258,132	12.00	281,100	12.00	281,100	12.00
INSURANCE LICENSING TECH II	145,690	5.54	159,420	6.00	136,868	5.00	136,868	5.00
TAX AUDITOR I	83,981	2.84	87,732	3.00	116,976	4.00	116,976	4.00
TAX AUDITOR II	0	0.00	97,740	3.00	63,036	2.00	63,036	2.00
FISCAL & ADMINISTRATIVE MGR B1	38,957	0.79	49,272	1.00	0	0.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B2	10,488	0.21	0	0.00	50,342	1.00	50,342	1.00
HUMAN RESOURCES MGR B1	47,101	1.00	47,151	1.00	38,532	1.00	38,532	1.00
RESEARCH MANAGER B1	2,017	0.04	0	0.00	0	0.00	0	0.00
INSURANCE REGULATORY MGR B1	197,114	4.96	203,265	5.00	191,208	5.00	191,208	5.00
INSURANCE REGULATORY MGR B2	50,290	1.00	50,340	1.00	50,340	1.00	50,340	1.00
STATE DEPARTMENT DIRECTOR	86,852	0.89	97,104	1.00	97,104	1.00	97,104	1.00
DEPUTY STATE DEPT DIRECTOR	90,165	1.03	89,964	0.00	89,964	1.00	89,964	1.00
DESIGNATED PRINCIPAL ASST DEPT	75,075	1.99	113,444	3.00	95,436	3.00	95,436	3.00
DIVISION DIRECTOR	216,037	2.75	155,712	2.00	155,712	2.00	155,712	2.00
DESIGNATED PRINCIPAL ASST DIV	54,996	1.65	78,888	2.00	74,512	2.00	74,512	2.00
PARALEGAL	33,574	1.00	33,624	1.00	33,624	1.00	33,624	1.00
LEGAL COUNSEL	105,569	2.47	128,448	3.00	128,448	3.00	128,448	3.00
CHIEF COUNSEL	80,870	0.90	0	1.00	0	0.00	0	0.00
SENIOR COUNSEL	197,647	3.87	156,104	3.00	207,396	4.00	207,396	4.00
ACTUARY	198,229	1.82	206,623	2.00	202,232	2.00	202,232	2.00
INTER TRANSPORTATION PLANNER	9	0.00	0	0.00	0	0.00	0	0.00
TOTAL - PS	4,597,135	129.81	4,403,264	127.50	4,335,680	125.50	4,335,680	125.50
TRAVEL, IN-STATE	31,929	0.00	65,396	0.00	35,396	0.00	35,396	0.00
TRAVEL, OUT-OF-STATE	16,796	0.00	30,058	0.00	30,058	0.00	30,058	0.00
FUEL & UTILITIES	0	0.00	0	0.00	1	0.00	1	0.00
SUPPLIES	177,674	0.00	203,418	0.00	203,418	0.00	203,418	0.00
PROFESSIONAL DEVELOPMENT	66,592	0.00	53,983	0.00	66,592	0.00	66,592	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
COMMUNICATION SERV & SUPP	126,906	0.00	145,053	0.00	145,053	0.00	145,053	0.00
PROFESSIONAL SERVICES	326,801	0.00	465,753	0.00	450,299	0.00	450,299	0.00
JANITORIAL SERVICES	0	0.00	0	0.00	1	0.00	1	0.00
M&R SERVICES	68,545	0.00	60,102	0.00	68,545	0.00	68,545	0.00
COMPUTER EQUIPMENT	149,112	0.00	0	0.00	0	0.00	0	0.00
OFFICE EQUIPMENT	8,984	0.00	45,000	0.00	15,000	0.00	15,000	0.00
OTHER EQUIPMENT	12,703	0.00	15,000	0.00	15,000	0.00	15,000	0.00
PROPERTY & IMPROVEMENTS	0	0.00	1,000	0.00	1,000	0.00	1,000	0.00
REAL PROPERTY RENTALS & LEASES	1,070	0.00	5,900	0.00	5,900	0.00	5,900	0.00
EQUIPMENT RENTALS & LEASES	2,949	0.00	9,601	0.00	9,601	0.00	9,601	0.00
MISCELLANEOUS EXPENSES	3,273	0.00	4,000	0.00	4,000	0.00	4,000	0.00
REBILLABLE EXPENSES	0	0.00	1	0.00	1	0.00	1	0.00
TOTAL - EE	993,334	0.00	1,104,265	0.00	1,049,865	0.00	1,049,865	0.00
GRAND TOTAL	\$5,590,469	129.81	\$5,507,529	127.50	\$5,385,545	125.50	\$5,385,545	125.50
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$5,590,469	129.81	\$5,507,529	127.50	\$5,385,545	125.50	\$5,385,545	125.50

PROGRAM DESCRIPTION

Department of Insurance

Director's Office

Program is found in the following core budget(s): Department Administration

1. What does this program do?

The **Director's Office** provides oversight and management of all department activities. The Director's Office is responsible for policy decisions, regulation, legislation and communications. The Director's Office also includes legal and receivership activities. The department's legal section provides counsel to the Director's Office and each division and section and represents the department directly before courts and the Administrative Hearing Commission. When a judge orders a company into receivership, the Director is responsible for either rehabilitating the company or liquidating it as provided by statute and court order. The Director's Office includes the Department Director, Deputy Director, legal, public information, receivership and support staff.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapters 325, 354 and 374-385 RSMo.

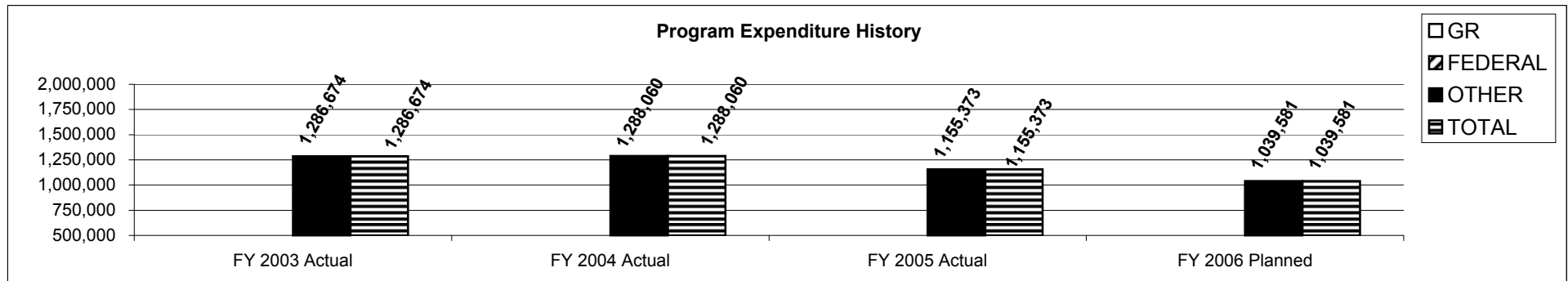
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

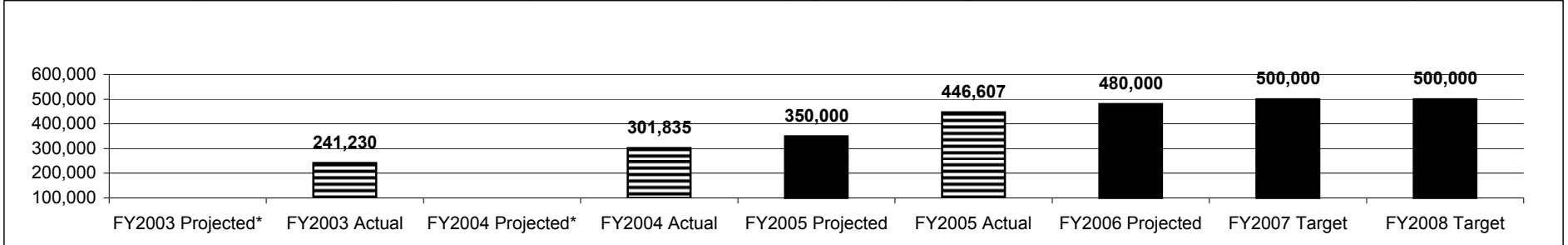
Department of Insurance

Director's Office

Program is found in the following core budget(s): Department Administration

7a. Provide an effectiveness measure.

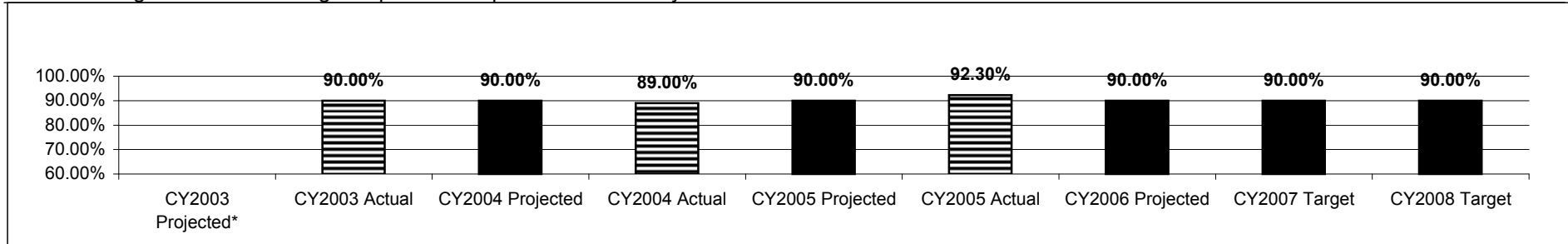
Increase the average number of monthly Missouri Department of Insurance web page hits by adding more information for consumers and industry



*No projections made in FY2003-FY2004.

7b. Provide an efficiency measure.

Percent of legal actions involving companies completed with 180 days of referral



*No projection made in CY2003

7c. Provide the number of clients/individuals served, if applicable.

Not applicable

7d. Provide a customer satisfaction measure, if available.

Not available

PROGRAM DESCRIPTION

Department of Insurance

Division of Consumer Affairs

Program is found in the following core budget(s): Department Administration

1. What does this program do?

The **Division of Consumer Affairs** answers questions from the public about insurance companies, contracts and citizen concerns through the department's consumer hotline (1-800-726-7390). The division also provides insurance education and outreach activities to Missouri citizens. In disputed insurance claims, the division acts as a liaison between the consumer and the insurance company. The division investigates complaints submitted by the public alleging unfair or unlawful acts committed by insurance companies and agencies, licensed insurance agents and brokers, bail bond agents and public adjusters. The division investigates unlicensed insurance activities, reviews license applications and reviews reports of insurance fraud submitted by insurance companies and consumers. The division includes the consumer services and investigations sections.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: 374.085 RSMo

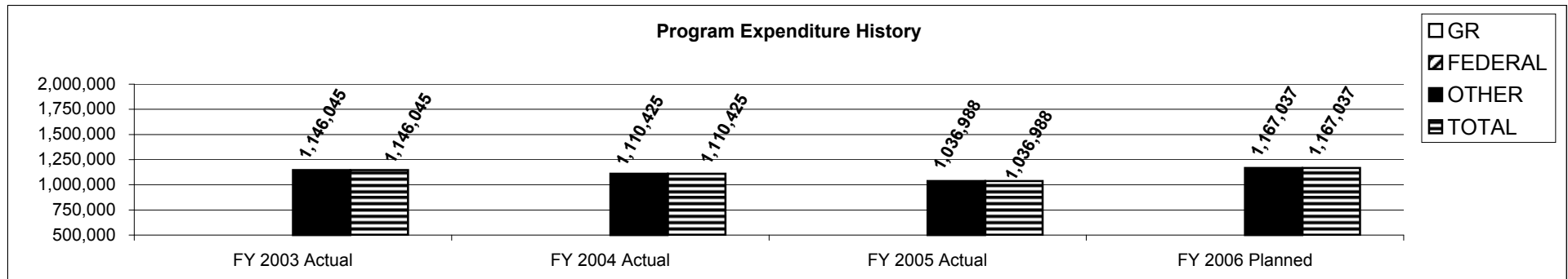
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

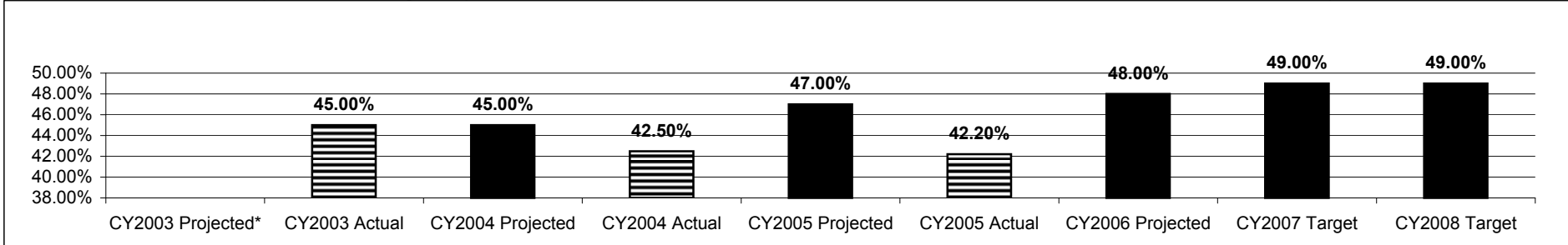
Department of Insurance

Division of Consumer Affairs

Program is found in the following core budget(s): Department Administration

7a. Provide an effectiveness measure.

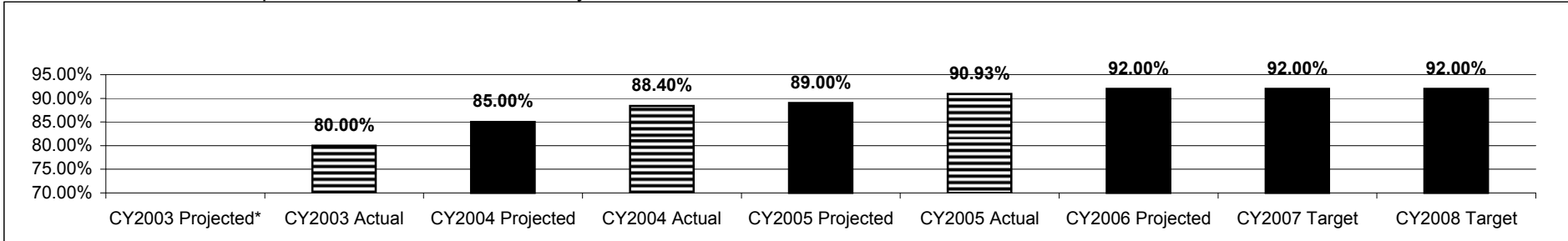
Percent of consumer complaints resulting in a positive outcome (required insurance companies and their agents to follow state statutes and regulations)



*Calendar year measure. No projection made in CY2003. CY2005 Actual will be included in the Governor's Recommendations.

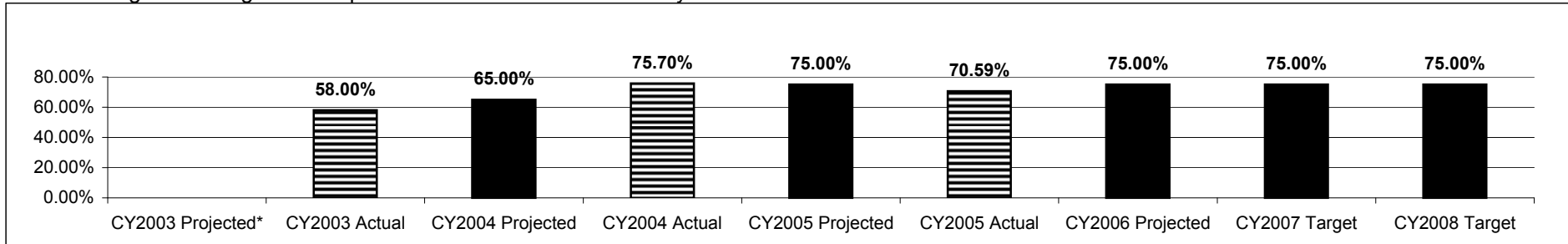
7b. Provide an efficiency measure.

Percent of consumer complaints closed in less than 60 days



*Calendar year measure. No projection made in CY2003. CY2005 Actual will be included in the Governor's Recommendations.

Percent of agent investigation complaints closed in less than 120 days



*Calendar year measure. No projection made in CY2003. CY2005 Actual will be included in the Governor's Recommendations.

PROGRAM DESCRIPTION

Department of Insurance

Division of Consumer Affairs

Program is found in the following core budget(s): Department Administration

7c. Provide the number of clients/individuals served, if applicable.

	CY2003		CY2004		CY2005		CY2006	CY2007	CY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Consumer Complaints	5,500	5,955	6,000	4,844	5,000	3,757	4,000	4,000	4,000
Agent Investigations	600	586	650	484	500	707	500	500	500
Consumer Phone Calls	70,000	58,377	55,000	36,228	40,000	31,938	35,000	35,000	35,000
Written Inquiries	n/a	2,753	3,200	3,410	3,200	3,494	3,500	3,500	3,500
Walkins	n/a	613	675	326	400	191	250	250	250

7d. Provide a customer satisfaction measure, if available.

Not available.

PROGRAM DESCRIPTION

Department of Insurance

Division of Financial Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

	Department Administration	Market Conduct and Financial Exam	Total
GR	0	0	0
FEDERAL	0	0	0
OTHER	691,142	3,606,622	4,297,765
TOTAL	691,142	3,606,622	4,297,765

1. What does this program do?

The **Division of Financial Regulation** monitors the financial condition of all domestic (Missouri based) and foreign (non-Missouri based) insurance companies operating in Missouri. The division conducts financial examinations of domestic insurance companies and analyzes the financial condition of all companies licensed to sell insurance in Missouri. The division seeks to prevent insolvencies of domestic companies and takes appropriate action against any financially unsound company to protect policyholders and taxpayers. The division accounts for premium taxes and admission fees due Missouri and for insurance companies' deposits held to benefit policyholders. The division includes the financial examination, financial analysis, premium tax and surplus lines sections.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapters 148, 287, 374, 375, 376 and 384 RSMo.

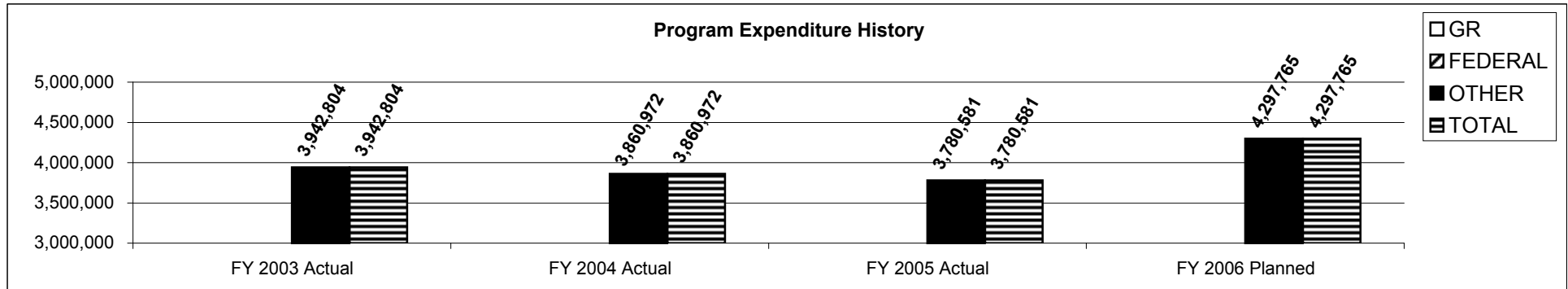
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Examiners Fund (0552); Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

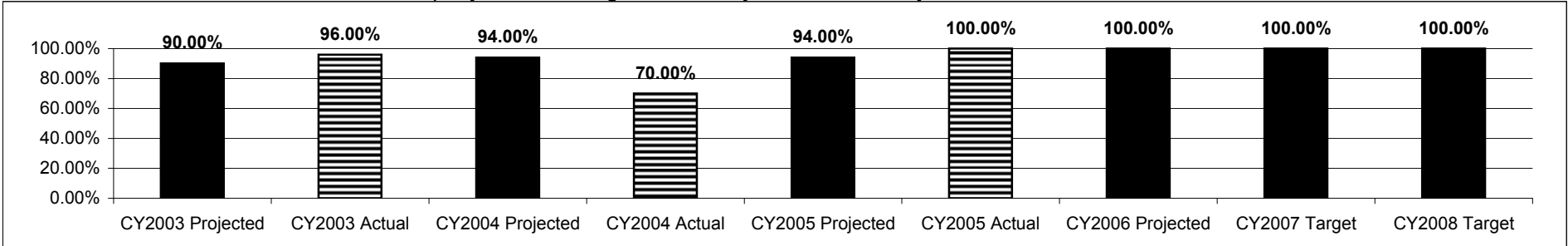
Department of Insurance

Division of Financial Regulation

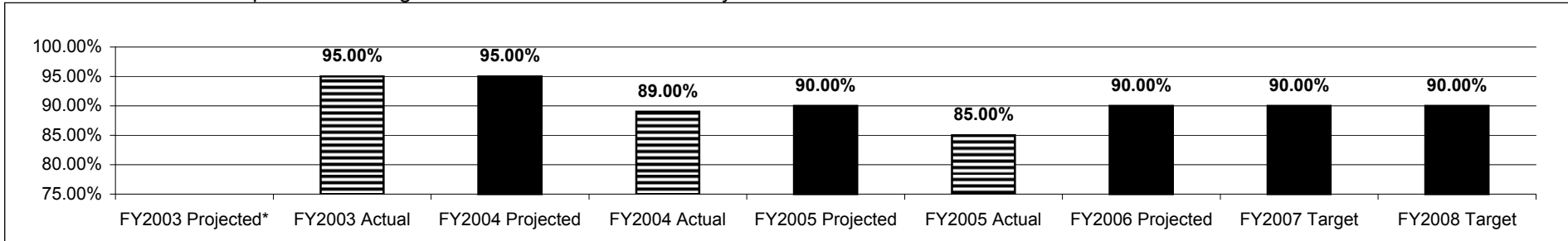
Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7a. Provide an effectiveness measure.

Percent of annual multi-state domestic company financial filings reviewed by June 30th each year



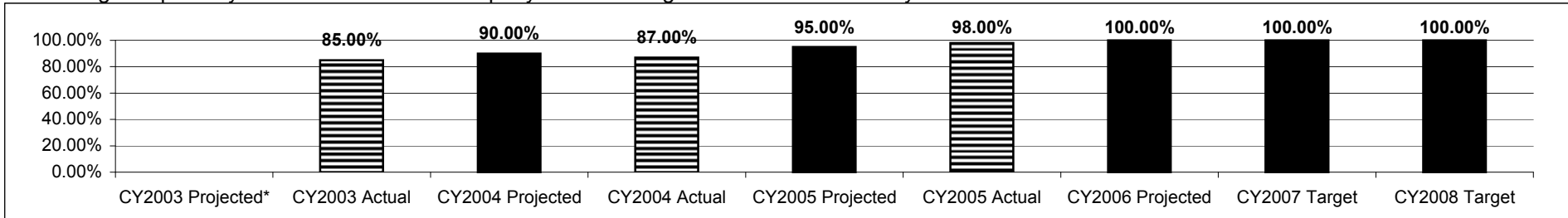
Percent of domestic companies receiving a financial exam within a three-year timeframe



*No projections made prior to FY2004.

7b. Provide an efficiency measure.

Percentage of quarterly multi-state domestic company financial filings reviewed within 60 days



*No projection made in CY2003.

PROGRAM DESCRIPTION

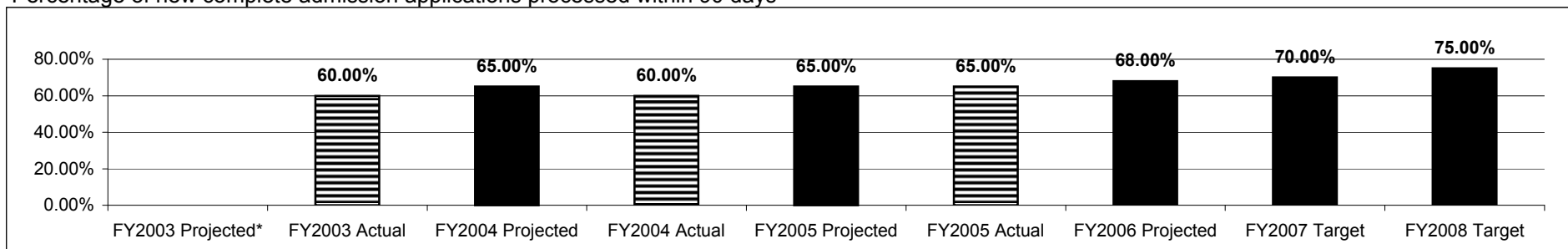
Department of Insurance

Division of Financial Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7b. Percentage of new complete admission applications processed within 90 days

cont.



*No projection made in FY2003.

7c. Provide the number of clients/individuals served, if applicable.

	CY2003		CY2004		CY2005		CY2006	CY2007	CY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Number of Domestic Companies	n/a	230	n/a	228	235	236	240	245	245
Number of Licensed Companies	n/a	1,614	n/a	1,637	1,650	1,662	1,700	1,700	1,700
Number of Surplus Lines Brokers	n/a	411	n/a	552	550	705	705	705	705
Surplus Lines Tax Collected	n/a	18.9 mil	18.9 mil	23.3 mil	24 mil	24.6 mil	25 mil	25 mil	25 mil
Premium Tax Collected	n/a	163 mil	142 mil	174 mil	174 mil	179 mil	179 mil	179 mil	179 mil

7d. Provide a customer satisfaction measure, if available.

Not available

PROGRAM DESCRIPTION

Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

	Department Administration	Market Conduct and Financial Exam	Total
GR	0	0	0
FEDERAL	0	0	0
OTHER	1,208,545	3,466,002	4,674,547
TOTAL	1,208,545	3,466,002	4,674,547

1. What does this program do?

The **Division of Market Regulation** protects the interests of Missouri's insurance buying consumers by ensuring companies are conducting business according to all applicable state statutes and regulations. The division performs market conduct examinations of insurance companies operating in the state to ensure equitable treatment of policyholders. The division prepares reports on insurance markets in the state for use by consumers, insurance companies and department staff. In addition, the division oversees activities of Missouri HMOs and reviews company applications for new certificates of authority or service area changes and analyzes trends in HMO activities. The division approves policy forms that an insurer wants to sell in the state and reviews forms, endorsements, illustrations and some rate filings. The division includes the market conduct examination, life and health, property and casualty and managed care sections.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapters 354, 374, 375, 379, 381, 385 and 447 RSMo.

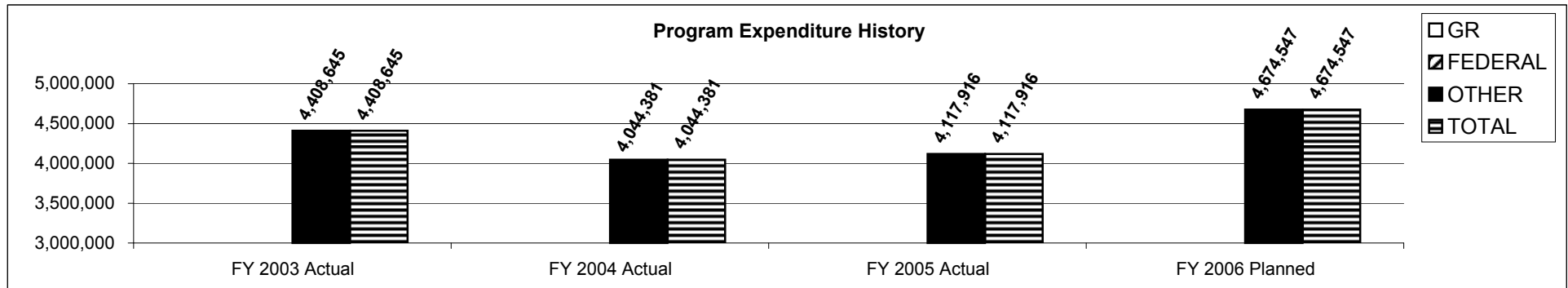
3. Are there federal matching requirements? If yes, please explain.

No.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Examiners Fund (0552); Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

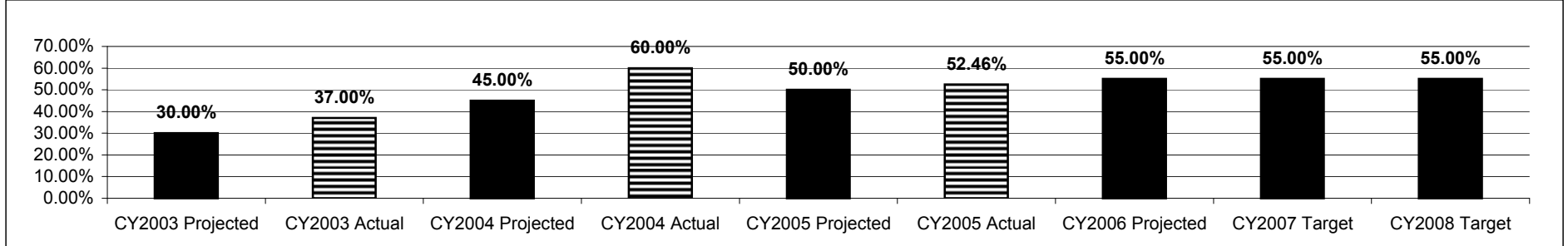
Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7a. Provide an effectiveness measure.

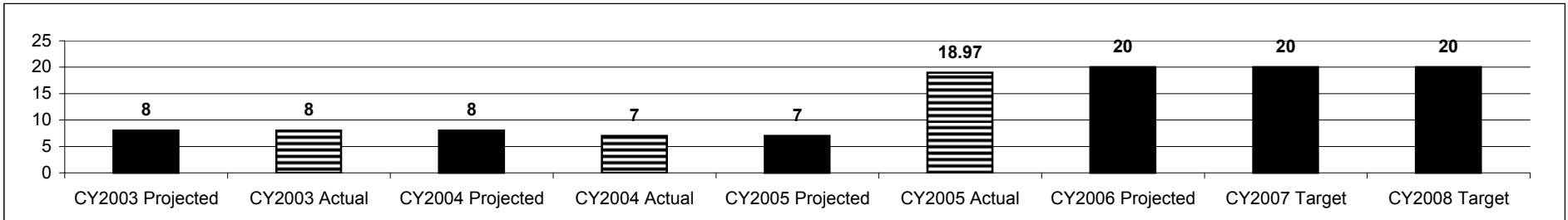
Percent of market conduct examinations that are targeted to specific issues



7b. Provide an efficiency measure.

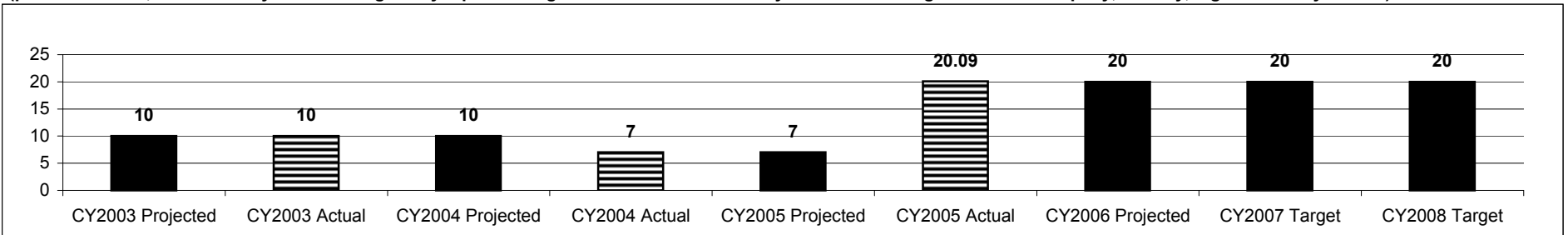
Average processing time in working days for Property and Casualty policy filings

(prior to CY2005, measure only included avg. analyst processing time. CY2005 and future years includes avg. combined company, actuary, legal and analyst time.)



Average processing time in working days for Life and Health policy filings

(prior to CY2005, measure only included avg. analyst processing time. CY2005 and future years includes avg. combined company, actuary, legal and analyst time.)



PROGRAM DESCRIPTION

Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7c. Provide the number of clients/individuals served, if applicable.

	CY2003		CY2004		CY2005		CY2006	CY2007	CY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
P&C filings received	n/a	9,900	9,900	9,727	10,000	8,804	9,000	9,000	9,000
L&H filings received	n/a	4,411	4,100	3,212	4,100	4,191	4,200	4,200	4,200

7d. Provide a customer satisfaction measure, if available.

Not available

PROGRAM DESCRIPTION

Department of Insurance

Division of Resource Administration

Program is found in the following core budget(s): Department Administration

1. What does this program do?

The **Division of Resource Administration** is responsible for the general operation and support within the department. The division prepares the department's annual budget request and strategic plan, monitors department revenues and expenditures, handles personnel and training for department employees, and is responsible for all accounting, procurement and grant management for the department. The division is also responsible for the coordination of department information technology needs with the Information Technology Services Division within the Office of Administration. In addition to support activities, the division is responsible for the licensing and renewals of all insurance producers operating within the state. The division includes licensing, budget, support services and personnel.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapter 325, 374, 375, 384 RSMo and Article IX section 7 (state school fund deposits)

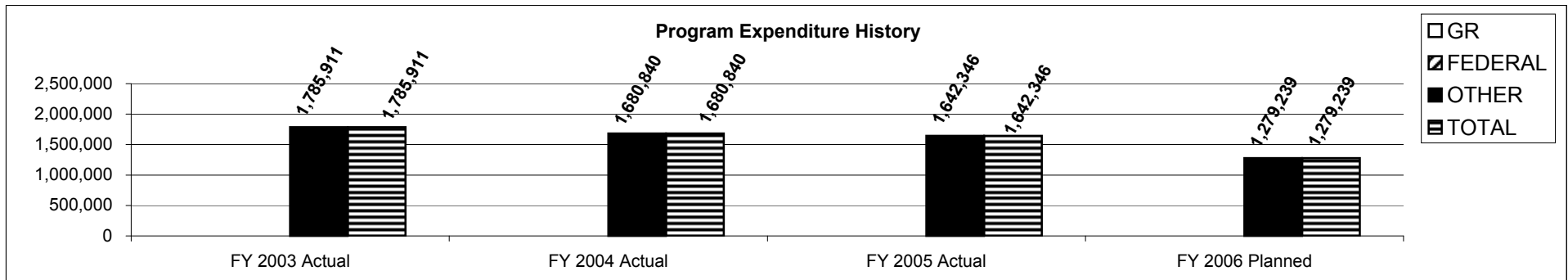
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

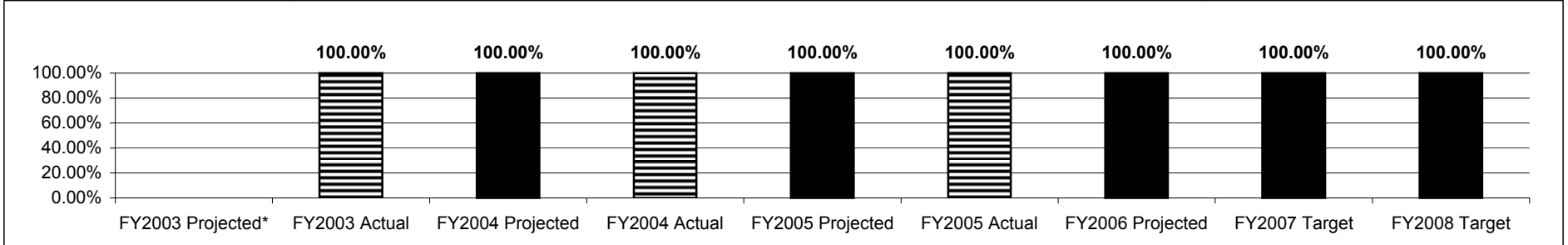
Department of Insurance

Division of Resource Administration

Program is found in the following core budget(s): Department Administration

7a. Provide an effectiveness measure.

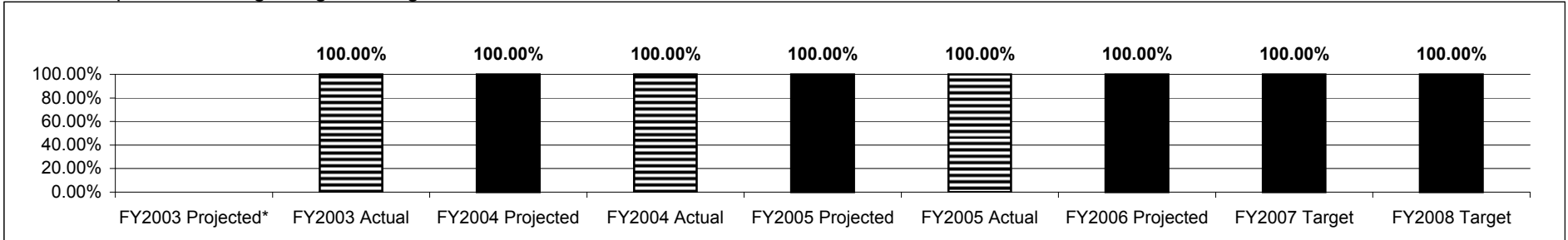
Percent of producer licensing applications, renewal and certifications and clearance letters processed within 5 business days



* No projections made prior to FY2004.

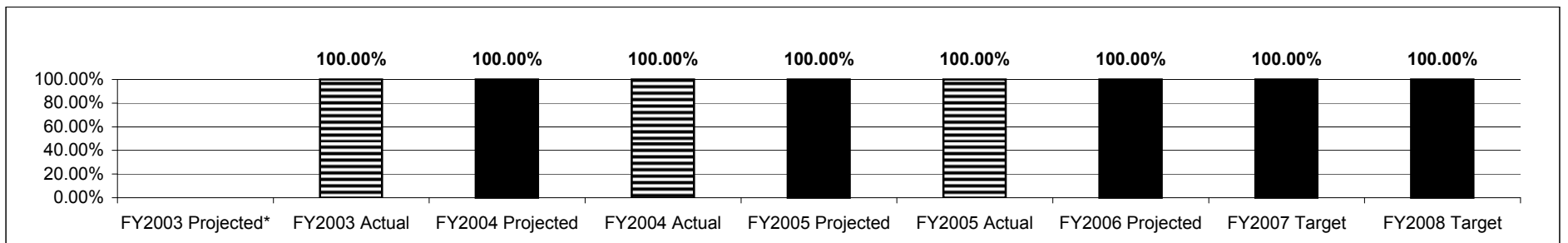
7b. Provide an efficiency measure.

Percent of phone calls regarding licensing issues returned within 24 hours



* No projections made prior to FY2004.

Percent of payment requests processed within 10 business days



* No projections made prior to FY2004.

PROGRAM DESCRIPTION

Department of Insurance

Division of Resource Administration

Program is found in the following core budget(s): Department Administration

7c. Provide the number of clients/individuals served, if applicable.

	FY2003		FY2004		FY2005		FY2006	FY2007	FY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
New licensing applications	n/a	24,891	26,891	21,998	23,000	22,267	24,000	25,000	26,000
Renewal licensing applications	34,000	41,620	44,675	38,205	40,000	41,039	42,000	43,000	44,000
Certification/clearance letters	n/a	34,250	33,000	25,373	20,000	17,018	16,000	15,000	13,000
Telephone inquiries to licensing	50,000	53,000	51,000	50,775	50,000	49,942	50,000	50,000	50,000
Number of checks processed	n/a	109,088	109,100	95,439	100,000	94,422	100,000	100,000	100,000
Number of payments processed	n/a	3,862	3,796	2,725	3,000	2,639	3,000	3,000	3,000
Pieces of mail processed	n/a	576,900	581,364	320,826	400,000	589,704	600,000	600,000	600,000

7d. Provide a customer satisfaction measure, if available.

Not available

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
OFFICE SUPPORT ASST (CLERICAL)	41,132	2.00	41,232	2.00	41,232	2.00	41,232	2.00
ADMIN OFFICE SUPPORT ASSISTANT	61,380	2.25	78,948	3.00	59,580	2.00	59,580	2.00
GENERAL OFFICE ASSISTANT	18,466	1.00	18,516	1.00	18,516	1.00	18,516	1.00
OFFICE SUPPORT ASST (KEYBRD)	110,968	5.54	129,276	6.50	109,626	5.50	109,626	5.50
SR OFC SUPPORT ASST (KEYBRD)	233,268	10.05	232,956	10.00	255,720	11.00	255,720	11.00
OFFICE SERVICES ASST	24,442	1.01	25,068	1.00	25,068	1.00	25,068	1.00
COMPUTER INFO TECHNOLOGIST I	84,906	2.71	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST II	64,794	1.90	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST III	152,869	3.72	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV I	50,290	1.00	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV II	60,742	1.00	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECH SPEC I	68,463	1.43	0	0.00	0	0.00	0	0.00
ACCOUNT CLERK II	91,864	4.00	92,064	4.00	92,064	4.00	92,064	4.00
ACCOUNTANT I	132,038	4.60	64,080	2.00	64,080	2.00	64,080	2.00
ACCOUNTANT II	36,394	1.00	36,444	1.00	36,444	1.00	36,444	1.00
BUDGET ANAL III	44,434	1.00	45,384	1.00	45,384	1.00	45,384	1.00
PERSONNEL ANAL II	34,545	1.00	33,792	1.00	35,076	1.00	35,076	1.00
RESEARCH ANAL II	116,497	3.41	138,176	4.00	102,384	3.00	102,384	3.00
RESEARCH ANAL III	34,598	1.00	35,076	1.00	35,076	1.00	35,076	1.00
RESEARCH ANAL IV	48,243	0.96	50,340	1.00	50,340	1.00	50,340	1.00
PUBLIC INFORMATION ADMSTR	53,861	1.13	53,520	1.00	40,080	1.00	40,080	1.00
MANAGEMENT ANALYSIS SPEC I	0	0.00	33,792	1.00	33,792	1.00	33,792	1.00
PLANNER I	0	0.00	31,392	1.00	31,392	1.00	31,392	1.00
PLANNER II	38,482	1.00	38,532	1.00	38,532	1.00	38,532	1.00
LEGISLATIVE COORDINATOR	41,626	1.00	41,676	1.00	41,676	1.00	41,676	1.00
INVESTIGATOR II	185,628	5.37	214,056	6.00	249,424	7.00	249,424	7.00
INVESTIGATOR III	0	0.00	0	0.00	39,288	1.00	39,288	1.00
INSURANCE PRODUCT ANALYST I	54,960	2.07	0	0.00	0	0.00	0	0.00
INSURANCE PRODUCT ANALYST II	170,596	5.52	273,816	9.00	273,816	9.00	273,816	9.00
INSURANCE PRODUCT ANALYST III	77,072	2.00	77,172	2.00	77,172	2.00	77,172	2.00
INSURANCE FINANCIAL ANAL SPEC	0	0.00	0	0.00	35,772	1.00	35,772	1.00
WORKERS COMPENSATION SPEC	62,730	1.88	67,584	2.00	67,584	2.00	67,584	2.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
INSURANCE FINANCIAL ANALYST II	35,722	1.00	35,772	1.00	35,772	1.00	35,772	1.00
CONSUMER SERVICES SPEC I	56,586	2.12	0	0.00	0	0.00	0	0.00
CONSUMER SERVICES SPEC II	278,136	8.46	379,093	11.00	347,880	10.00	347,880	10.00
CONSUMER SERVICES COORDINATOR	56,070	1.37	122,544	3.00	40,080	1.00	40,080	1.00
CONSUMER SERVICES BRANCH SPV	26,620	0.67	0	0.00	0	0.00	0	0.00
INSURANCE LICENSING TECH I	234,052	10.89	258,132	12.00	281,100	12.00	281,100	12.00
INSURANCE LICENSING TECH II	145,690	5.54	159,420	6.00	136,868	5.00	136,868	5.00
TAX AUDITOR I	83,981	2.84	87,732	3.00	116,976	4.00	116,976	4.00
TAX AUDITOR II	0	0.00	97,740	3.00	63,036	2.00	63,036	2.00
FISCAL & ADMINISTRATIVE MGR B1	38,957	0.79	49,272	1.00	0	0.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B2	10,488	0.21	0	0.00	50,342	1.00	50,342	1.00
HUMAN RESOURCES MGR B1	47,101	1.00	47,151	1.00	38,532	1.00	38,532	1.00
RESEARCH MANAGER B1	2,017	0.04	0	0.00	0	0.00	0	0.00
INSURANCE REGULATORY MGR B1	197,114	4.96	203,265	5.00	191,208	5.00	191,208	5.00
INSURANCE REGULATORY MGR B2	50,290	1.00	50,340	1.00	50,340	1.00	50,340	1.00
STATE DEPARTMENT DIRECTOR	86,852	0.89	97,104	1.00	97,104	1.00	97,104	1.00
DEPUTY STATE DEPT DIRECTOR	90,165	1.03	89,964	0.00	89,964	1.00	89,964	1.00
DESIGNATED PRINCIPAL ASST DEPT	75,075	1.99	113,444	3.00	95,436	3.00	95,436	3.00
DIVISION DIRECTOR	216,037	2.75	155,712	2.00	155,712	2.00	155,712	2.00
DESIGNATED PRINCIPAL ASST DIV	54,996	1.65	78,888	2.00	74,512	2.00	74,512	2.00
PARALEGAL	33,574	1.00	33,624	1.00	33,624	1.00	33,624	1.00
LEGAL COUNSEL	105,569	2.47	128,448	3.00	128,448	3.00	128,448	3.00
CHIEF COUNSEL	80,870	0.90	0	1.00	0	0.00	0	0.00
SENIOR COUNSEL	197,647	3.87	156,104	3.00	207,396	4.00	207,396	4.00
ACTUARY	198,229	1.82	206,623	2.00	202,232	2.00	202,232	2.00
INTER TRANSPORTATION PLANNER	9	0.00	0	0.00	0	0.00	0	0.00
TOTAL - PS	4,597,135	129.81	4,403,264	127.50	4,335,680	125.50	4,335,680	125.50
TRAVEL, IN-STATE	31,929	0.00	65,396	0.00	35,396	0.00	35,396	0.00
TRAVEL, OUT-OF-STATE	16,796	0.00	30,058	0.00	30,058	0.00	30,058	0.00
FUEL & UTILITIES	0	0.00	0	0.00	1	0.00	1	0.00
SUPPLIES	177,674	0.00	203,418	0.00	203,418	0.00	203,418	0.00
PROFESSIONAL DEVELOPMENT	66,592	0.00	53,983	0.00	66,592	0.00	66,592	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DEPT ADMINISTRATION								
CORE								
COMMUNICATION SERV & SUPP	126,906	0.00	145,053	0.00	145,053	0.00	145,053	0.00
PROFESSIONAL SERVICES	326,801	0.00	465,753	0.00	450,299	0.00	450,299	0.00
JANITORIAL SERVICES	0	0.00	0	0.00	1	0.00	1	0.00
M&R SERVICES	68,545	0.00	60,102	0.00	68,545	0.00	68,545	0.00
COMPUTER EQUIPMENT	149,112	0.00	0	0.00	0	0.00	0	0.00
OFFICE EQUIPMENT	8,984	0.00	45,000	0.00	15,000	0.00	15,000	0.00
OTHER EQUIPMENT	12,703	0.00	15,000	0.00	15,000	0.00	15,000	0.00
PROPERTY & IMPROVEMENTS	0	0.00	1,000	0.00	1,000	0.00	1,000	0.00
REAL PROPERTY RENTALS & LEASES	1,070	0.00	5,900	0.00	5,900	0.00	5,900	0.00
EQUIPMENT RENTALS & LEASES	2,949	0.00	9,601	0.00	9,601	0.00	9,601	0.00
MISCELLANEOUS EXPENSES	3,273	0.00	4,000	0.00	4,000	0.00	4,000	0.00
REBILLABLE EXPENSES	0	0.00	1	0.00	1	0.00	1	0.00
TOTAL - EE	993,334	0.00	1,104,265	0.00	1,049,865	0.00	1,049,865	0.00
GRAND TOTAL	\$5,590,469	129.81	\$5,507,529	127.50	\$5,385,545	125.50	\$5,385,545	125.50
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$5,590,469	129.81	\$5,507,529	127.50	\$5,385,545	125.50	\$5,385,545	125.50

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
IT CONSOLIDATION								
CORE								
PERSONAL SERVICES								
DEPT OF INSURANCE DEDICATED	0	0.00	543,888	13.00	0	0.00	0	0.00
TOTAL - PS	0	0.00	543,888	13.00	0	0.00	0	0.00
EXPENSE & EQUIPMENT								
INSURANCE EXAMINERS FUND	0	0.00	141,628	0.00	0	0.00	0	0.00
DEPT OF INSURANCE DEDICATED	0	0.00	367,839	0.00	0	0.00	0	0.00
TOTAL - EE	0	0.00	509,467	0.00	0	0.00	0	0.00
PROGRAM-SPECIFIC								
INSURANCE EXAMINERS FUND	0	0.00	15,000	0.00	0	0.00	0	0.00
TOTAL - PD	0	0.00	15,000	0.00	0	0.00	0	0.00
TOTAL	0	0.00	1,068,355	13.00	0	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$1,068,355	13.00	\$0	0.00	\$0	0.00

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CORE DECISION ITEM

DEPARTMENT OF INSURANCE					Budget Unit <u>37505C</u>				
IT CONSOLIDATION									
1. CORE FINANCIAL SUMMARY									
FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Fed	Other	Total
PS	0	0	0	0	PS	0	0	0	0
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	0	0	PSD	0	0	0	0
Total	0	0	0	0	Total	0	0	0	0
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				
Other Funds:					Other Funds:				
2. CORE DESCRIPTION									
<p>Governor Blunt ordered that management of state information technology resources be consolidated under the Office of Administration. For Fiscal Year 2006, all funding for information technology staff and computer equipment was reallocated to a new section within each department. These resources are under the direct control of the state's Chief Information Officer, who will assess the information technology staffing and equipment requirements for each department.</p> <p>For Fiscal Year 2007, the department has transferred this item and associated appropriation authority to the Office of Administration, Information Technology Services Division. This will result in a core reduction to the department's budget beginning in FY2007.</p>									
3. PROGRAM LISTING (list programs included in this core funding)									

CORE DECISION ITEM

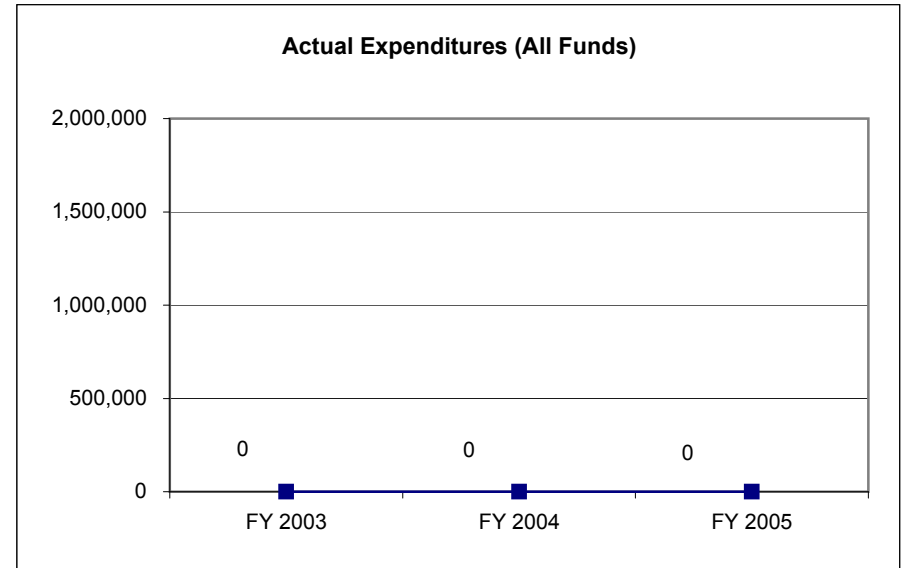
DEPARTMENT OF INSURANCE

Budget Unit 37505C

IT CONSOLIDATION

4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	0	0	0	1,068,355
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)	0	0	0	N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

CORE RECONCILIATION

DEPARTMENT OF INSURANCE IT CONSOLIDATION

5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		PS	13.00	0	0	543,888	543,888	
		EE	0.00	0	0	509,467	509,467	
		PD	0.00	0	0	15,000	15,000	
		Total	13.00	0	0	1,068,355	1,068,355	
DEPARTMENT CORE ADJUSTMENTS								
Transfer Out	[#2104]	PS	(13.00)	0	0	(543,888)	(543,888)	Transfer to ITSD
Transfer Out	[#2104]	EE	0.00	0	0	(509,467)	(509,467)	Transfer to ITSD
Transfer Out	[#2104]	PD	0.00	0	0	(15,000)	(15,000)	Transfer to ITSD
NET DEPARTMENT CHANGES			(13.00)	0	0	(1,068,355)	(1,068,355)	
DEPARTMENT CORE REQUEST								
		PS	0.00	0	0	0	0	
		EE	0.00	0	0	0	0	
		PD	0.00	0	0	0	0	
		Total	0.00	0	0	0	0	
GOVERNOR'S RECOMMENDED CORE								
		PS	0.00	0	0	0	0	
		EE	0.00	0	0	0	0	
		PD	0.00	0	0	0	0	
		Total	0.00	0	0	0	0	

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
IT CONSOLIDATION								
CORE								
COMPUTER INFO TECHNOLOGIST I	0	0.00	63,480	2.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST II	0	0.00	33,792	1.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST III	0	0.00	243,456	6.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV I	0	0.00	50,340	1.00	0	0.00	0	0.00
COMPUTER INFO TECH SUPV II	0	0.00	60,792	1.00	0	0.00	0	0.00
COMPUTER INFO TECH SPEC I	0	0.00	92,028	2.00	0	0.00	0	0.00
TOTAL - PS	0	0.00	543,888	13.00	0	0.00	0	0.00
SUPPLIES	0	0.00	20,000	0.00	0	0.00	0	0.00
PROFESSIONAL SERVICES	0	0.00	150,000	0.00	0	0.00	0	0.00
M&R SERVICES	0	0.00	49,000	0.00	0	0.00	0	0.00
COMPUTER EQUIPMENT	0	0.00	209,839	0.00	0	0.00	0	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	80,628	0.00	0	0.00	0	0.00
TOTAL - EE	0	0.00	509,467	0.00	0	0.00	0	0.00
DEBT SERVICE	0	0.00	15,000	0.00	0	0.00	0	0.00
TOTAL - PD	0	0.00	15,000	0.00	0	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$1,068,355	13.00	\$0	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS	\$0	0.00	\$1,068,355	13.00	\$0	0.00		0.00

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MKT CONDUCT & FINANCIAL EXAM								
CORE								
PERSONAL SERVICES								
INSURANCE EXAMINERS FUND	4,841,500	73.59	5,177,435	77.00	5,177,435	77.00	5,177,435	77.00
TOTAL - PS	4,841,500	73.59	5,177,435	77.00	5,177,435	77.00	5,177,435	77.00
EXPENSE & EQUIPMENT								
INSURANCE EXAMINERS FUND	1,293,506	0.00	1,895,189	0.00	1,895,189	0.00	1,895,189	0.00
TOTAL - EE	1,293,506	0.00	1,895,189	0.00	1,895,189	0.00	1,895,189	0.00
PROGRAM-SPECIFIC								
INSURANCE EXAMINERS FUND	7,732	0.00	0	0.00	0	0.00	0	0.00
TOTAL - PD	7,732	0.00	0	0.00	0	0.00	0	0.00
TOTAL	6,142,738	73.59	7,072,624	77.00	7,072,624	77.00	7,072,624	77.00
GENERAL STRUCTURE ADJUSTMENT - 0000012								
PERSONAL SERVICES								
INSURANCE EXAMINERS FUND	0	0.00	0	0.00	0	0.00	207,096	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	207,096	0.00
TOTAL	0	0.00	0	0.00	0	0.00	207,096	0.00
GRAND TOTAL	\$6,142,738	73.59	\$7,072,624	77.00	\$7,072,624	77.00	\$7,279,720	77.00

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CORE DECISION ITEM

DEPARTMENT OF INSURANCE					Budget Unit <u>37510C</u>				
MKT CONDUCT & FINANCIAL EXAM									
1. CORE FINANCIAL SUMMARY									
FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Fed	Other	Total
PS	0	0	5,177,435	5,177,435	PS	0	0	5,177,435	5,177,435
EE	0	0	1,895,189	1,895,189	EE	0	0	1,895,189	1,895,189
PSD	0	0	0	0	PSD	0	0	0	0
Total	0	0	7,072,624	7,072,624	Total	0	0	7,072,624	7,072,624
FTE	0.00	0.00	77.00	77.00	FTE	0.00	0.00	77.00	77.00
Est. Fringe	0	0	2,531,248	2,531,248	Est. Fringe	0	0	2,531,248	2,531,248
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.					Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				
Other Funds: Insurance Examiners Fund (0552)					Other Funds: Insurance Examiners Fund (0552)				
2. CORE DESCRIPTION									
The General Assembly established the Insurance Examiners Fund in 1991. This fund serves as a revolving fund to collect fees assessed and pay expenses of examinations until assessments can be made. The Missouri Department of Insurance conducts both financial and market conduct examinations. Financial examinations ensure insurance companies have sufficient reserves to pay consumer claims and consumer access to affordable insurance coverage. Market conduct examinations of insurance companies serve to verify that policyholders and beneficiaries receive the full benefits from the contracts they and they insurer have agreed to. Since the majority of the insurance companies examined have physical locations outside of the state, department examiners must go to these locations to examine company records. The expenses of these examinations are billed to the companies examined. The costs assessed to the companies for examinations can be taken as credits against the company's premium tax payment to the state. Historically only those companies domiciled in the state take this tax credit, as foreign companies usually must pay a retaliatory tax if the credit is taken. Missouri is one of only five states that allow tax credits for the cost of examination.									
3. PROGRAM LISTING (list programs included in this core funding)									
Division of Financial Regulation (includes the Financial Examination and Financial Analysis Sections)									
Division of Market Regulation (includes the Market Conduct Examination Section)									

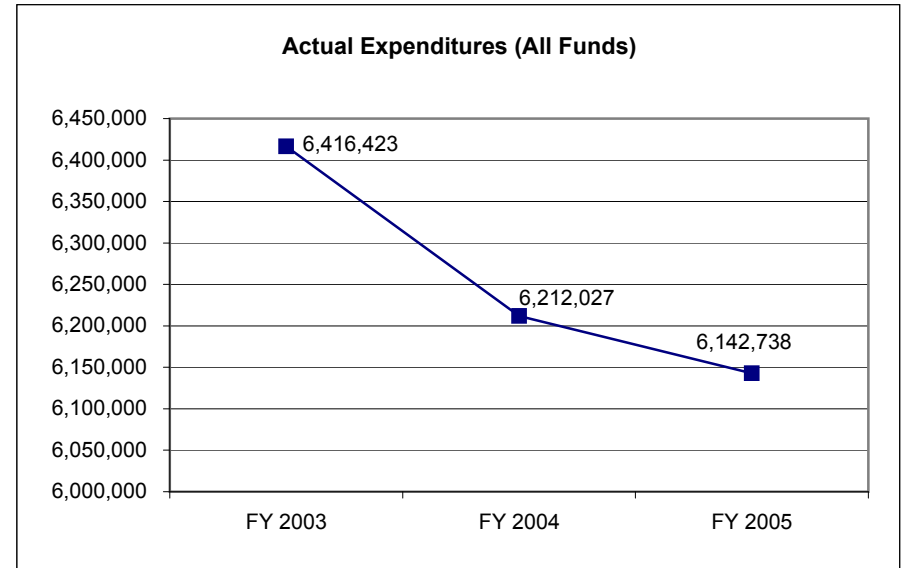
CORE DECISION ITEM

DEPARTMENT OF INSURANCE MKT CONDUCT & FINANCIAL EXAM

Budget Unit 37510C

4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	7,429,506	7,464,678	7,229,252	7,072,624
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	7,429,506	7,464,678	7,229,252	N/A
Actual Expenditures (All Funds)	6,416,423	6,212,027	6,142,738	N/A
Unexpended (All Funds)	1,013,083	1,252,651	1,086,514	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	1,013,083	1,252,651	1,086,514	N/A
Other				
	(1)	(1)	(2)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

(1) A number of cost saving measures were implemented in FY03 and FY04 that increased lapses. Examination expenses vary from year to year

(2) Expenditures on the location of those companies being examined. Examination expenses vary from year to year depending upon the location of those companies being examined.

CORE RECONCILIATION

DEPARTMENT OF INSURANCE MKT CONDUCT & FINANCIAL EXAM

5. CORE RECONCILIATION

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PS	77.00	0	0	5,177,435	5,177,435	
	EE	0.00	0	0	1,895,189	1,895,189	
	Total	77.00	0	0	7,072,624	7,072,624	
DEPARTMENT CORE REQUEST							
	PS	77.00	0	0	5,177,435	5,177,435	
	EE	0.00	0	0	1,895,189	1,895,189	
	Total	77.00	0	0	7,072,624	7,072,624	
GOVERNOR'S RECOMMENDED CORE							
	PS	77.00	0	0	5,177,435	5,177,435	
	EE	0.00	0	0	1,895,189	1,895,189	
	Total	77.00	0	0	7,072,624	7,072,624	

PROGRAM DESCRIPTION

Department of Insurance

Division of Financial Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

	Department Administration	Market Conduct and Financial Exam	Total
GR	0	0	0
FEDERAL	0	0	0
OTHER	691,142	3,606,622	4,297,765
TOTAL	691,142	3,606,622	4,297,765

1. What does this program do?

The **Division of Financial Regulation** monitors the financial condition of all domestic (Missouri based) and foreign (non-Missouri based) insurance companies operating in Missouri. The division conducts financial examinations of domestic insurance companies and analyzes the financial condition of all companies licensed to sell insurance in Missouri. The division seeks to prevent insolvencies of domestic companies and takes appropriate action against any financially unsound company to protect policyholders and taxpayers. The division accounts for premium taxes and admission fees due Missouri and for insurance companies' deposits held to benefit policyholders. The division includes the financial examination, financial analysis, premium tax and surplus lines sections.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapters 148, 287, 374, 375, 376 and 384 RSMo.

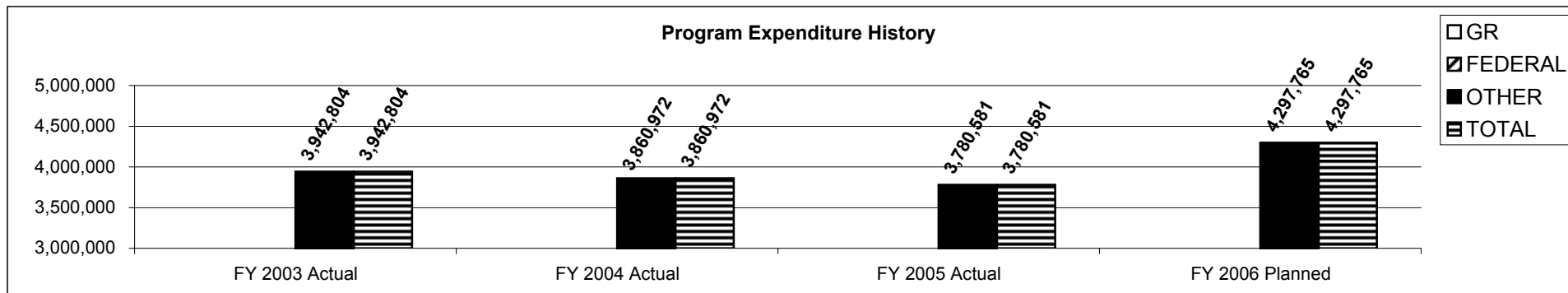
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Examiners Fund (0552); Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

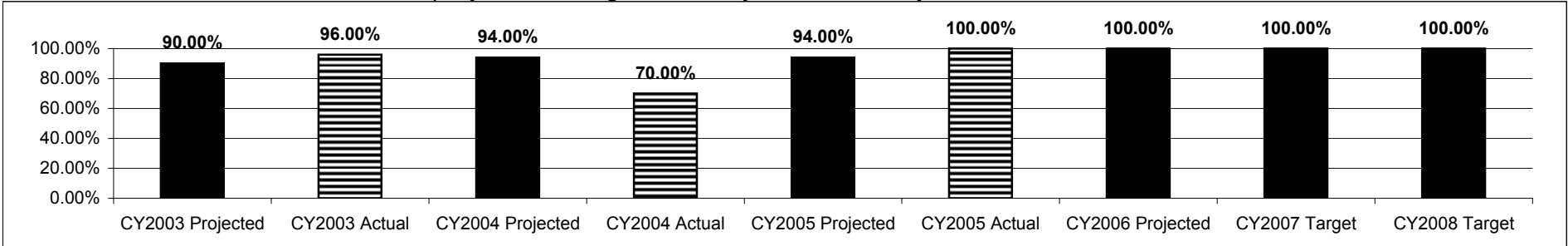
Department of Insurance

Division of Financial Regulation

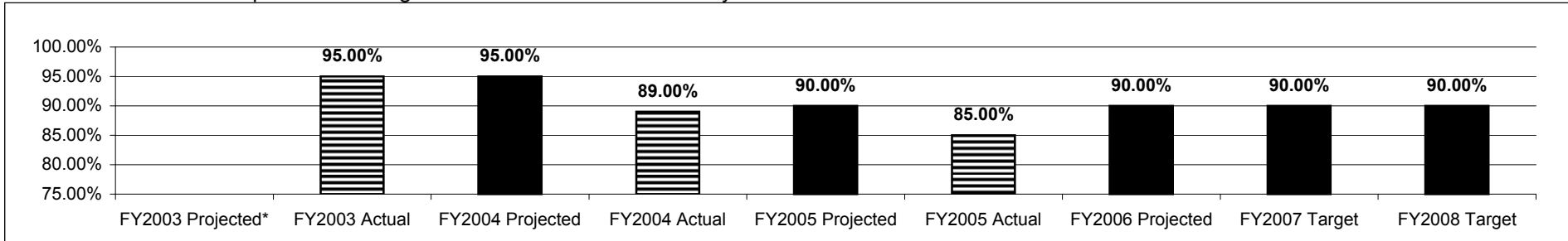
Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7a. Provide an effectiveness measure.

Percent of annual multi-state domestic company financial filings reviewed by June 30th each year



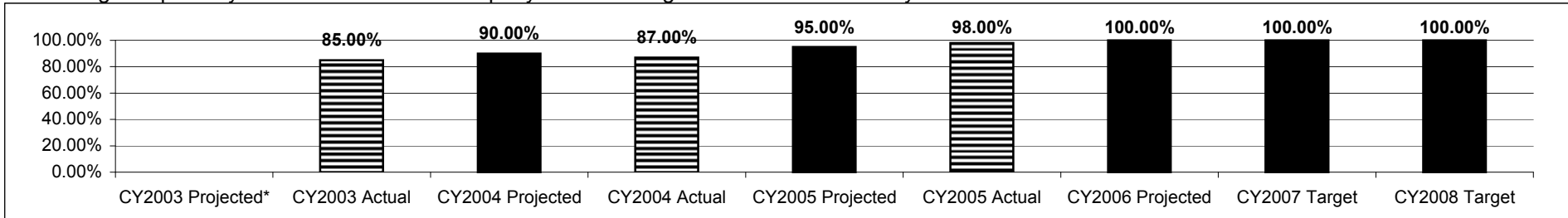
Percent of domestic companies receiving a financial exam within a three-year timeframe



*No projections made prior to FY2004.

7b. Provide an efficiency measure.

Percentage of quarterly multi-state domestic company financial filings reviewed within 60 days



*No projection made in CY2003.

PROGRAM DESCRIPTION

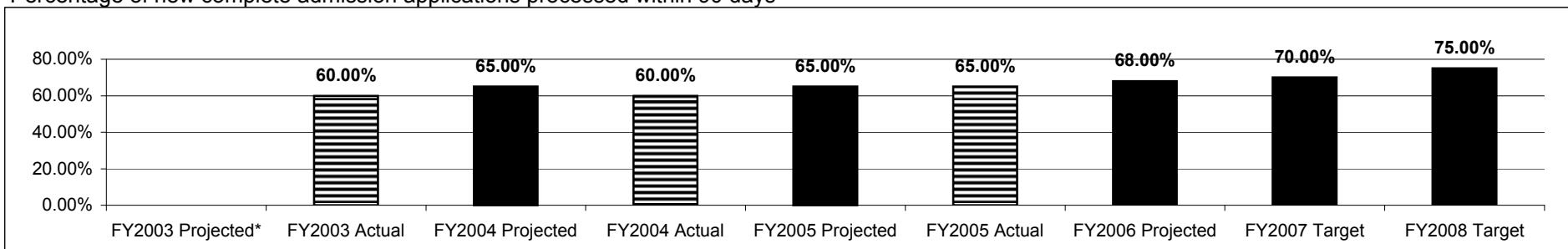
Department of Insurance

Division of Financial Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7b. Percentage of new complete admission applications processed within 90 days

cont.



*No projection made in FY2003.

7c. Provide the number of clients/individuals served, if applicable.

	CY2003		CY2004		CY2005		CY2006	CY2007	CY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Number of Domestic Companies	n/a	230	n/a	228	235	236	240	245	245
Number of Licensed Companies	n/a	1,614	n/a	1,637	1,650	1,662	1,700	1,700	1,700
Number of Surplus Lines Brokers	n/a	411	n/a	552	550	705	705	705	705
Surplus Lines Tax Collected	n/a	18.9 mil	18.9 mil	23.3 mil	24 mil	24.6 mil	25 mil	25 mil	25 mil
Premium Tax Collected	n/a	163 mil	142 mil	174 mil	174 mil	179 mil	179 mil	179 mil	179 mil

7d. Provide a customer satisfaction measure, if available.

Not available

PROGRAM DESCRIPTION

Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

	Department Administration	Market Conduct and Financial Exam	Total
GR	0	0	0
FEDERAL	0	0	0
OTHER	1,208,545	3,466,002	4,674,547
TOTAL	1,208,545	3,466,002	4,674,547

1. What does this program do?

The **Division of Market Regulation** protects the interests of Missouri's insurance buying consumers by ensuring companies are conducting business according to all applicable state statutes and regulations. The division performs market conduct examinations of insurance companies operating in the state to ensure equitable treatment of policyholders. The division prepares reports on insurance markets in the state for use by consumers, insurance companies and department staff. In addition, the division oversees activities of Missouri HMOs and reviews company applications for new certificates of authority or service area changes and analyzes trends in HMO activities. The division approves policy forms that an insurer wants to sell in the state and reviews forms, endorsements, illustrations and some rate filings. The division includes the market conduct examination, life and health, property and casualty and managed care sections.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: Chapters 354, 374, 375, 379, 381, 385 and 447 RSMo.

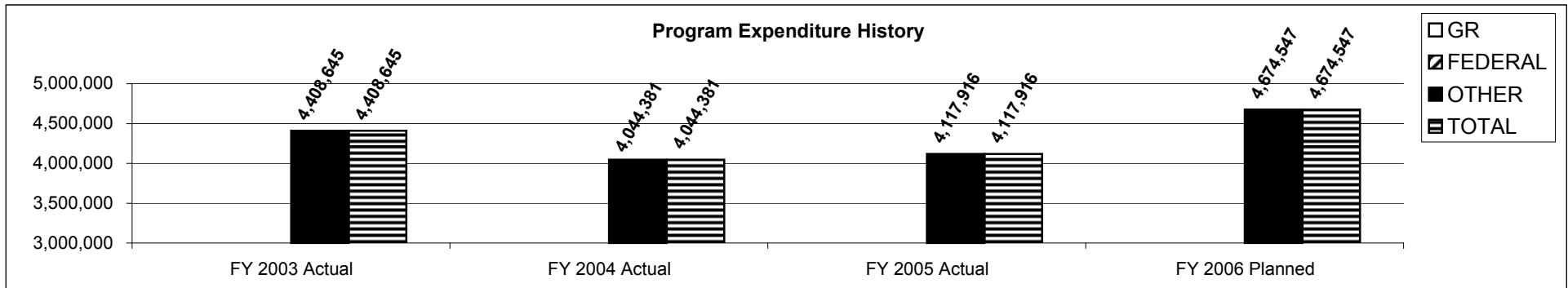
3. Are there federal matching requirements? If yes, please explain.

No.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Examiners Fund (0552); Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

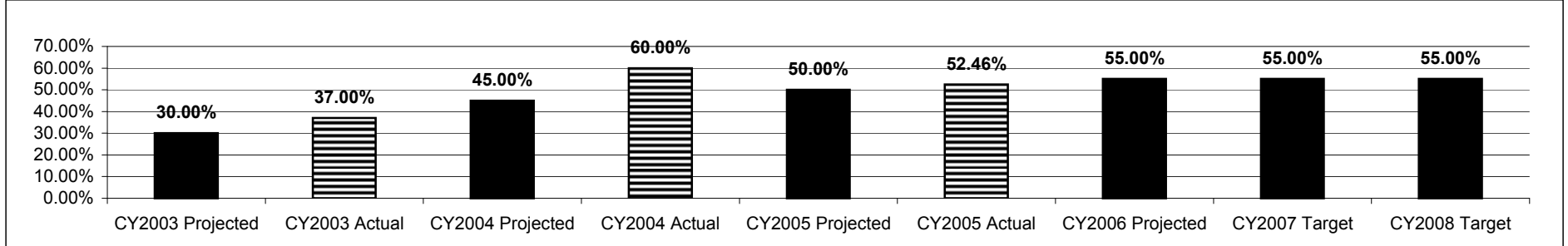
Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7a. Provide an effectiveness measure.

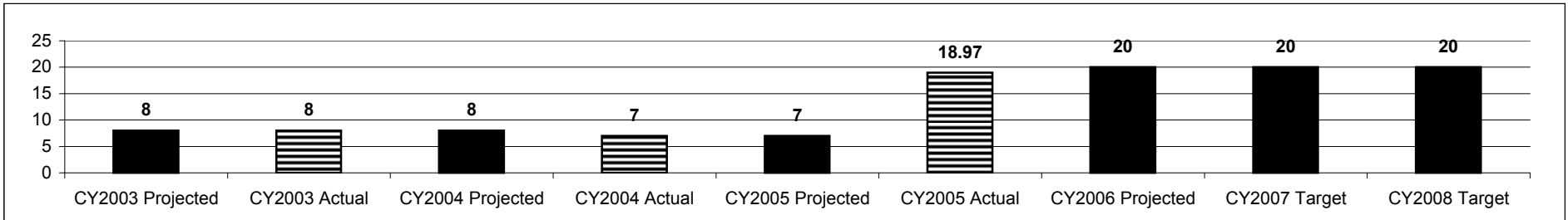
Percent of market conduct examinations that are targeted to specific issues



7b. Provide an efficiency measure.

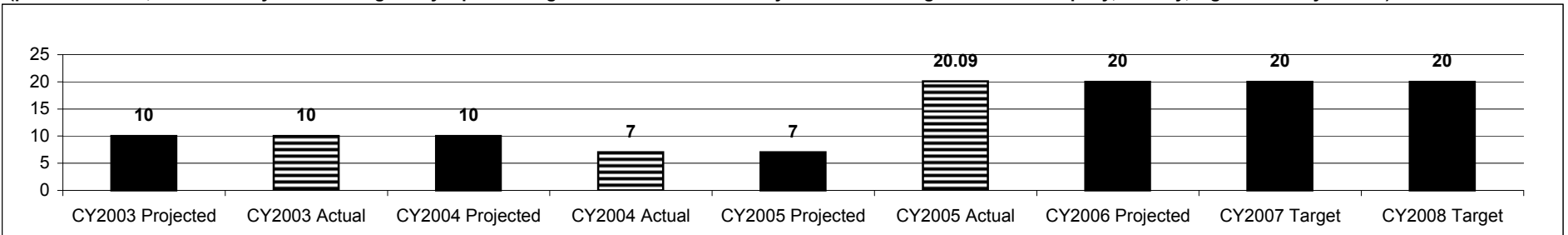
Average processing time in working days for Property and Casualty policy filings

(prior to CY2005, measure only included avg. analyst processing time. CY2005 and future years includes avg. combined company, actuary, legal and analyst time.)



Average processing time in working days for Life and Health policy filings

(prior to CY2005, measure only included avg. analyst processing time. CY2005 and future years includes avg. combined company, actuary, legal and analyst time.)



PROGRAM DESCRIPTION

Department of Insurance

Division of Market Regulation

Program is found in the following core budget(s): Department Administration; Market Conduct and Financial Exam

7c. Provide the number of clients/individuals served, if applicable.

	CY2003		CY2004		CY2005		CY2006	CY2007	CY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
P&C filings received	n/a	9,900	9,900	9,727	10,000	8,804	9,000	9,000	9,000
L&H filings received	n/a	4,411	4,100	3,212	4,100	4,191	4,200	4,200	4,200

7d. Provide a customer satisfaction measure, if available.

Not available

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MKT CONDUCT & FINANCIAL EXAM								
CORE								
OFFICE SUPPORT ASST (KEYBRD)	0	0.00	19,932	1.00	19,932	1.00	19,932	1.00
INSURANCE FINANCIAL ANAL SPEC	180,069	4.51	202,008	5.00	202,008	5.00	202,008	5.00
INSURANCE REGULATORY MGR B2	44,634	1.00	44,684	1.00	44,684	1.00	44,684	1.00
DIVISION DIRECTOR	103,468	1.25	163,992	2.00	163,992	2.00	163,992	2.00
DEPUTY DIVISION DIRECTOR	67,232	0.79	0	0.00	0	0.00	0	0.00
DESIGNATED PRINCIPAL ASST DIV	50,980	1.67	62,304	2.00	54,540	2.00	54,540	2.00
PARALEGAL	45,184	1.05	43,044	1.00	0	0.00	0	0.00
LEGAL COUNSEL	43,150	1.00	43,200	1.00	43,200	1.00	43,200	1.00
SENIOR COUNSEL	43,486	0.60	72,060	1.00	120,060	2.00	120,060	2.00
AUDIT MANAGER-FINANCIAL EXAM	171,820	2.00	171,920	2.00	171,920	2.00	171,920	2.00
ASST CHIEF FINANCIAL EXAMINER	17,643	0.21	84,924	1.00	84,924	1.00	84,924	1.00
ASST CHIEF MARKET CONDUCT EXAM	85,774	1.00	85,824	1.00	85,824	1.00	85,824	1.00
M C EXAMINER II	193,417	4.17	355,159	5.00	367,783	6.00	367,783	6.00
M C EXAMINER III	792,295	12.49	804,655	12.00	745,324	11.00	745,324	11.00
EXAMINER-IN-CHARGE MC	775,844	9.93	781,680	10.00	781,680	10.00	781,680	10.00
AUDIT MANAGER-MARKET CONDUCT	179,524	2.16	166,200	2.00	166,200	2.00	166,200	2.00
FINANCIAL EXAMINER I	79,772	1.75	43,245	1.00	0	0.00	0	0.00
FINANCIAL EXAMINER II	267,018	4.46	288,732	5.00	178,580	3.00	178,580	3.00
FINANCIAL EXAMINER III	983,256	14.55	1,026,488	15.00	1,229,400	18.00	1,229,400	18.00
EXAMINER-IN-CHARGE FINANCIAL	645,680	8.00	646,080	8.00	646,080	8.00	646,080	8.00
REINSURANCE EXAMINER	71,254	1.00	71,304	1.00	71,304	1.00	71,304	1.00
TOTAL - PS	4,841,500	73.59	5,177,435	77.00	5,177,435	77.00	5,177,435	77.00
TRAVEL, IN-STATE	283,924	0.00	400,000	0.00	400,000	0.00	400,000	0.00
TRAVEL, OUT-OF-STATE	776,419	0.00	1,335,431	0.00	1,312,192	0.00	1,312,192	0.00
SUPPLIES	22,263	0.00	34,000	0.00	34,000	0.00	34,000	0.00
PROFESSIONAL DEVELOPMENT	28,298	0.00	20,054	0.00	28,298	0.00	28,298	0.00
COMMUNICATION SERV & SUPP	61,359	0.00	75,000	0.00	75,000	0.00	75,000	0.00
PROFESSIONAL SERVICES	9,529	0.00	30,000	0.00	30,000	0.00	30,000	0.00
M&R SERVICES	18,525	0.00	0	0.00	10,000	0.00	10,000	0.00
COMPUTER EQUIPMENT	33,428	0.00	0	0.00	0	0.00	0	0.00
OFFICE EQUIPMENT	723	0.00	697	0.00	1,697	0.00	1,697	0.00
OTHER EQUIPMENT	0	0.00	5	0.00	1	0.00	1	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
MKT CONDUCT & FINANCIAL EXAM								
CORE								
EQUIPMENT RENTALS & LEASES	57,926	0.00	0	0.00	2,000	0.00	2,000	0.00
MISCELLANEOUS EXPENSES	1,112	0.00	1	0.00	2,000	0.00	2,000	0.00
REBILLABLE EXPENSES	0	0.00	1	0.00	1	0.00	1	0.00
TOTAL - EE	1,293,506	0.00	1,895,189	0.00	1,895,189	0.00	1,895,189	0.00
DEBT SERVICE	7,732	0.00	0	0.00	0	0.00	0	0.00
TOTAL - PD	7,732	0.00	0	0.00	0	0.00	0	0.00
GRAND TOTAL	\$6,142,738	73.59	\$7,072,624	77.00	\$7,072,624	77.00	\$7,072,624	77.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$6,142,738	73.59	\$7,072,624	77.00	\$7,072,624	77.00	\$7,072,624	77.00

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REFUNDS								
CORE								
PROGRAM-SPECIFIC								
INSURANCE EXAMINERS FUND	0	0.00	1	0.00	1	0.00	1	0.00
DEPT OF INSURANCE DEDICATED	34,979	0.00	75,000	0.00	75,000	0.00	75,000	0.00
TOTAL - PD	34,979	0.00	75,001	0.00	75,001	0.00	75,001	0.00
TOTAL	34,979	0.00	75,001	0.00	75,001	0.00	75,001	0.00
GRAND TOTAL	\$34,979	0.00	\$75,001	0.00	\$75,001	0.00	\$75,001	0.00

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CORE DECISION ITEM

DEPARTMENT OF INSURANCE					Budget Unit <u>37520C</u>				
REFUNDS									
1. CORE FINANCIAL SUMMARY									
FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Fed	Other	Total
PS	0	0	0	0	PS	0	0	0	0
EE	0	0	0	0	EE	0	0	0	0
PSD	0	0	75,001	75,001	PSD	0	0	75,001	75,001
Total	<u>0</u>	<u>0</u>	<u>75,001</u>	<u>75,001</u>	Total	<u>0</u>	<u>0</u>	<u>75,001</u>	<u>75,001</u>
				E					
FTE	0.00	0.00	0.00	0.00	FTE	0.00	0.00	0.00	0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				
Other Funds:	Insurance Examiners Fund (0552)				Other Funds:	Insurance Examiners Fund (0552)			
	Insurance Dedicated Fund (0566)					Insurance Dedicated Fund (0566)			
Notes:	An "E" is requested for the \$75,001 Other Funds				Notes:	An "E" is requested for the \$75,001 Other Funds			
2. CORE DESCRIPTION									
<p>Individuals and companies sometimes submit incorrect fee amounts to the department. According to Section 374.150 RSMo., all fees due the state under the provisions of the insurance laws shall be deposited to the credit of the insurance department funds unless otherwise provided. The department deposits fees upon receipt, and if it is determined that an incorrect or overpayment has occurred then a refund is generated. An estimated appropriation is needed as the amount of refunds that will occur during a fiscal year is unknown.</p>									
3. PROGRAM LISTING (list programs included in this core funding)									
<p>Refunds</p>									

CORE DECISION ITEM

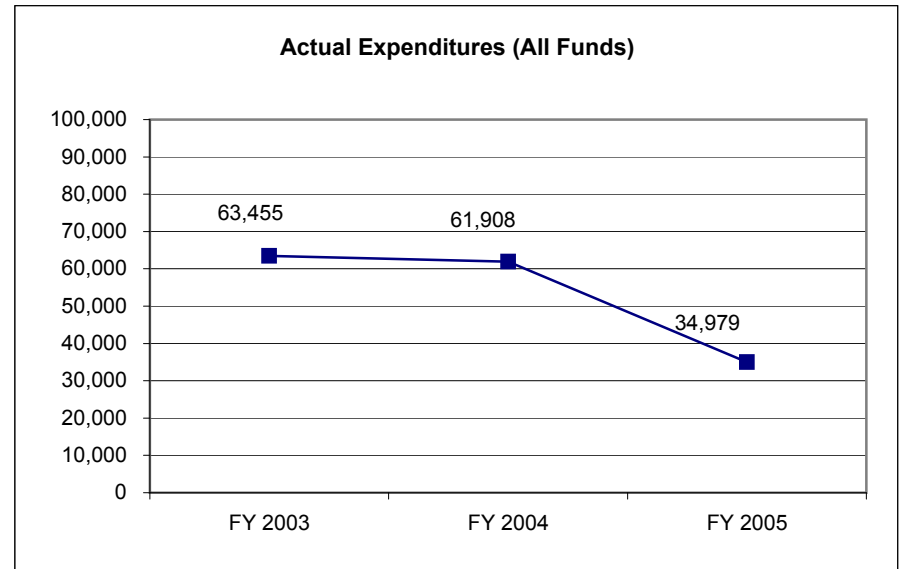
DEPARTMENT OF INSURANCE

Budget Unit 37520C

REFUNDS

4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	75,001	64,267	35,001	75,001
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	75,001	64,267	35,001	N/A
Actual Expenditures (All Funds)	63,455	61,908	34,979	N/A
Unexpended (All Funds)	11,546	2,359	22	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	11,546	2,359	22	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

- (1) Original appropriation of \$25,001 E was increased by \$50,000.
- (2) Original appropriation of \$25,001 E was increased by \$39,266.
- (3) Original appropriation of \$25,001 E was increased by \$10,000.

CORE RECONCILIATION

**DEPARTMENT OF INSURANCE
REFUNDS**

5. CORE RECONCILIATION

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	0	0	75,001	75,001	
	Total	0.00	0	0	75,001	75,001	
DEPARTMENT CORE REQUEST							
	PD	0.00	0	0	75,001	75,001	
	Total	0.00	0	0	75,001	75,001	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	0	0	75,001	75,001	
	Total	0.00	0	0	75,001	75,001	

PROGRAM DESCRIPTION

Department of Insurance

Refunds

Program is found in the following core budget(s): Refunds

1. What does this program do?

Individuals and companies sometimes submit incorrect fee amounts to the department. According to Section 374.150 RSMo., all fees due the state under the provisions of the insurance laws shall be deposited to the credit of the insurance department funds unless otherwise provided. The department deposits fees upon receipt, and if it is determined that an incorrect or overpayment has occurred then a refund is generated.

An estimated appropriation is needed as the amount of refunds that will occur during a fiscal year is unknown.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: 374.150 RSMo

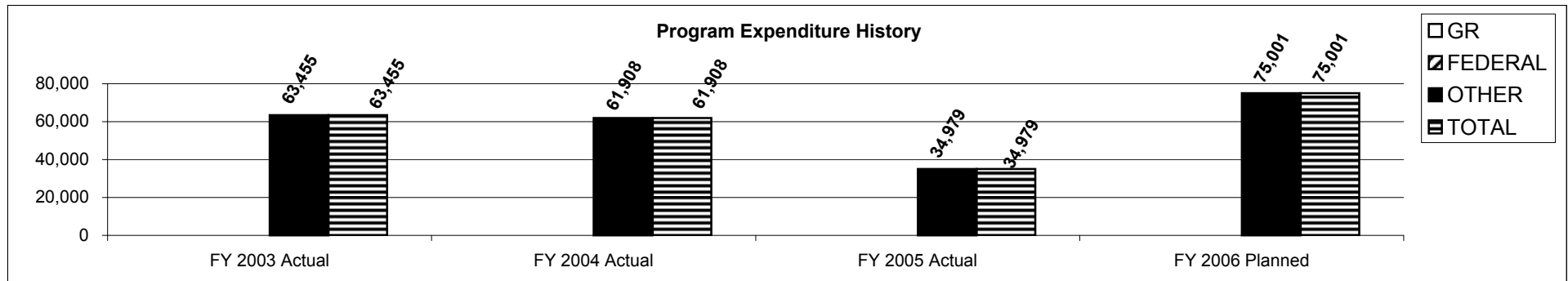
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566) and Insurance Examiners Fund (0552)

PROGRAM DESCRIPTION

Department of Insurance

Refunds

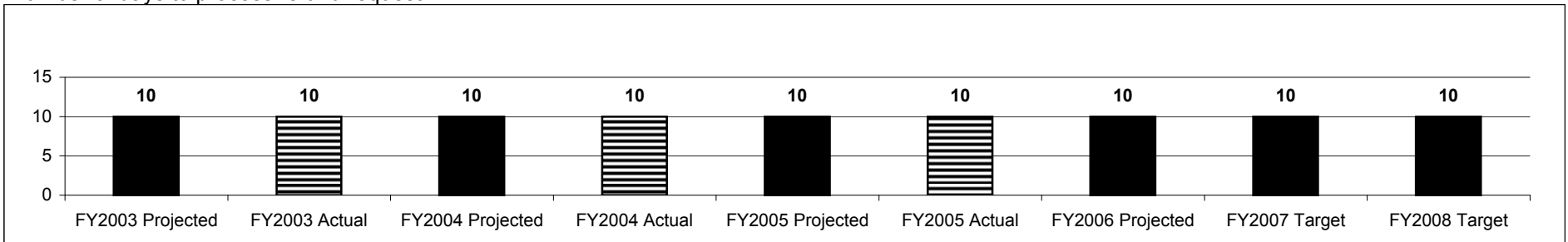
Program is found in the following core budget(s): Refunds

7a. Provide an effectiveness measure.

None available

7b. Provide an efficiency measure.

Number of days to process refund request



7c. Provide the number of clients/individuals served, if applicable.

	FY2003		FY2004		FY2005		FY2006	FY2007	FY2008
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Refunds processed	1,200	1,068	1,000	695	800	583	650	650	650

7d. Provide a customer satisfaction measure, if available.

Not available

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REFUNDS								
CORE								
REFUNDS	34,979	0.00	75,001	0.00	75,001	0.00	75,001	0.00
TOTAL - PD	34,979	0.00	75,001	0.00	75,001	0.00	75,001	0.00
GRAND TOTAL	\$34,979	0.00	\$75,001	0.00	\$75,001	0.00	\$75,001	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$34,979	0.00	\$75,001	0.00	\$75,001	0.00	\$75,001	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HEALTH INSURANCE COUNSELING								
CORE								
EXPENSE & EQUIPMENT								
DEPT OF INSURANCE DEDICATED	0	0.00	200,000	0.00	0	0.00	0	0.00
TOTAL - EE	0	0.00	200,000	0.00	0	0.00	0	0.00
PROGRAM-SPECIFIC								
FEDERAL - MDI	439,248	0.00	600,000	0.00	600,000	0.00	600,000	0.00
DEPT OF INSURANCE DEDICATED	200,000	0.00	0	0.00	200,000	0.00	200,000	0.00
TOTAL - PD	639,248	0.00	600,000	0.00	800,000	0.00	800,000	0.00
TOTAL	639,248	0.00	800,000	0.00	800,000	0.00	800,000	0.00
GRAND TOTAL	\$639,248	0.00	\$800,000	0.00	\$800,000	0.00	\$800,000	0.00

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CORE DECISION ITEM

DEPARTMENT OF INSURANCE					Budget Unit <u>37540C</u>																																																						
HEALTH INSURANCE COUNSELING																																																											
1. CORE FINANCIAL SUMMARY																																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">GR</th> <th style="text-align: center;">Federal</th> <th style="text-align: center;">Other</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>PS</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>EE</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>PSD</td> <td style="text-align: center;">0</td> <td style="text-align: center;">600,000</td> <td style="text-align: center;">200,000</td> <td style="text-align: center;">800,000</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">0</td> <td style="text-align: center;">600,000</td> <td style="text-align: center;">200,000</td> <td style="text-align: center;">800,000</td> </tr> </tbody> </table>						GR	Federal	Other	Total	PS	0	0	0	0	EE	0	0	0	0	PSD	0	600,000	200,000	800,000	Total	0	600,000	200,000	800,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">GR</th> <th style="text-align: center;">Fed</th> <th style="text-align: center;">Other</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>PS</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>EE</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>PSD</td> <td style="text-align: center;">0</td> <td style="text-align: center;">600,000</td> <td style="text-align: center;">200,000</td> <td style="text-align: center;">800,000</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">0</td> <td style="text-align: center;">600,000</td> <td style="text-align: center;">200,000</td> <td style="text-align: center;">800,000</td> </tr> </tbody> </table>						GR	Fed	Other	Total	PS	0	0	0	0	EE	0	0	0	0	PSD	0	600,000	200,000	800,000	Total	0	600,000	200,000	800,000
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Other Funds: Insurance Dedicated Fund (0566)					Other Funds: Insurance Dedicated Fund (0566)																																																						
2. CORE DESCRIPTION																																																											
<p>The CLAIM (Community Leaders Assisting the Insured of Missouri) program provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The department contracts with the Missouri Patient Care Review Foundation to administer the CLAIM program. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program and maintains a toll-free number, 1-800-390-3330, and website, www.missouricclaim.org. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices or senior centers serve as cosponsors and provide space, supplies and local publicity for the program. The program currently has approximately 49 sponsors and has locations throughout the state where counseling is provided.</p>																																																											
<p>NOTE: The department is requesting a core reallocation of the the Insurance Dedicated Fund portion of this item. The department is requesting the state funded portion of this item be moved to Budget Object Class 800, Program Distributions, instead of the current Budget Object Class 400, Professional Services. There is no change in the amount of this item because of the reallocation. The Insurance Dedicated Fund portion will show as a PSD, instead of EE. This reallocation will more appropriately classify the funding.</p>																																																											
3. PROGRAM LISTING (list programs included in this core funding)																																																											
Health Insurance Counseling																																																											

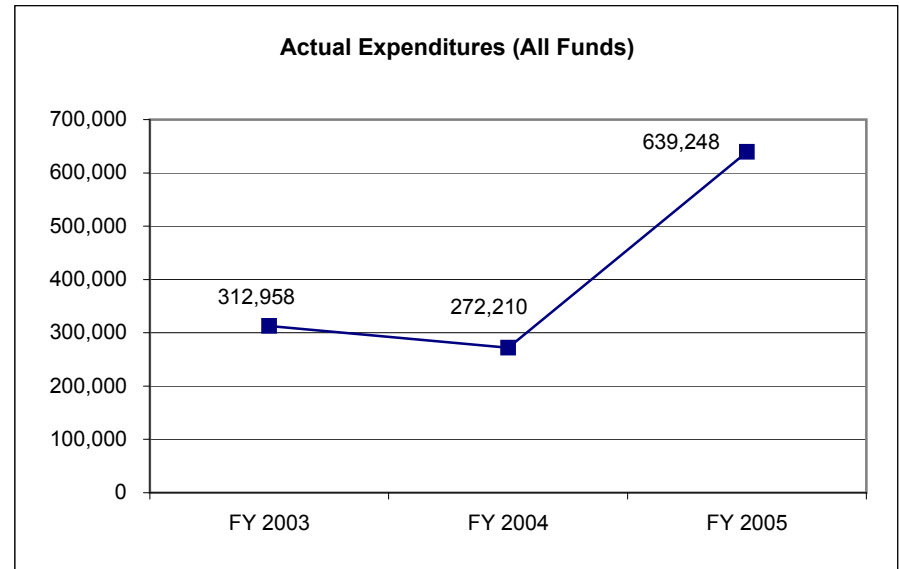
CORE DECISION ITEM

DEPARTMENT OF INSURANCE
HEALTH INSURANCE COUNSELING

Budget Unit 37540C

4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	450,000	450,000	650,000	800,000
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	450,000	450,000	650,000	N/A
Actual Expenditures (All Funds)	312,958	272,210	639,248	N/A
Unexpended (All Funds)	137,042	177,790	10,752	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	137,042	177,790	10,752	N/A
Other	0	0	0	N/A
	(1)	(1)	(2)	(3)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

NOTES:

(1) Expenditures were limited to amount received in grant.

(2) In FY2005, 200,000 was added from the Insurance Dedicated Fund. Over 400,000 in federal funds were available in FY05.

(3) 600,000 federal funds are available in FY06 and expected for future years.

CORE RECONCILIATION

**DEPARTMENT OF INSURANCE
HEALTH INSURANCE COUNSELING**

5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		EE	0.00	0	0	200,000	200,000	
		PD	0.00	0	600,000	0	600,000	
		Total	0.00	0	600,000	200,000	800,000	
DEPARTMENT CORE ADJUSTMENTS								
Core Reallocation	[#2113]	EE	0.00	0	0	(200,000)	(200,000)	
Core Reallocation	[#2113]	PD	0.00	0	0	200,000	200,000	
NET DEPARTMENT CHANGES			0.00	0	0	0	0	
DEPARTMENT CORE REQUEST								
		EE	0.00	0	0	0	0	
		PD	0.00	0	600,000	200,000	800,000	
		Total	0.00	0	600,000	200,000	800,000	
GOVERNOR'S RECOMMENDED CORE								
		EE	0.00	0	0	0	0	
		PD	0.00	0	600,000	200,000	800,000	
		Total	0.00	0	600,000	200,000	800,000	

PROGRAM DESCRIPTION

Department of Insurance

Health Insurance Counseling

Program is found in the following core budget(s): Health Insurance Counseling

1. What does this program do?

The **CLAIM (Community Leaders Assisting the Insured of Missouri)** program provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The department contracts with the Missouri Patient Care Review Foundation to administer the CLAIM program. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program and maintains a toll-free number, 1-800-390-3330, and website, www.missouricclaim.org. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices or senior centers serve as cosponsors and provide space, supplies and local publicity for the program. The program currently has approximately 49 sponsors and has locations throughout the state where counseling is provided.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Federal: State Health Insurance Assistance Program; Federal CFDA - 93.779

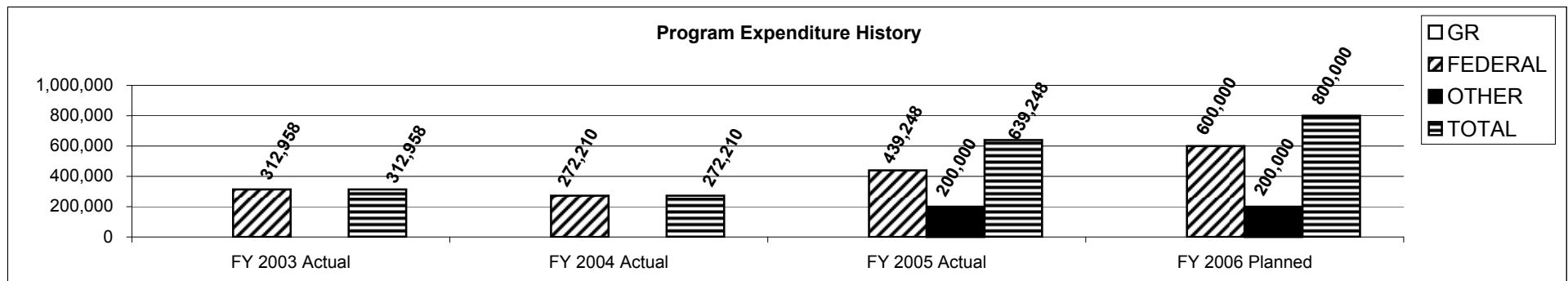
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566)

PROGRAM DESCRIPTION

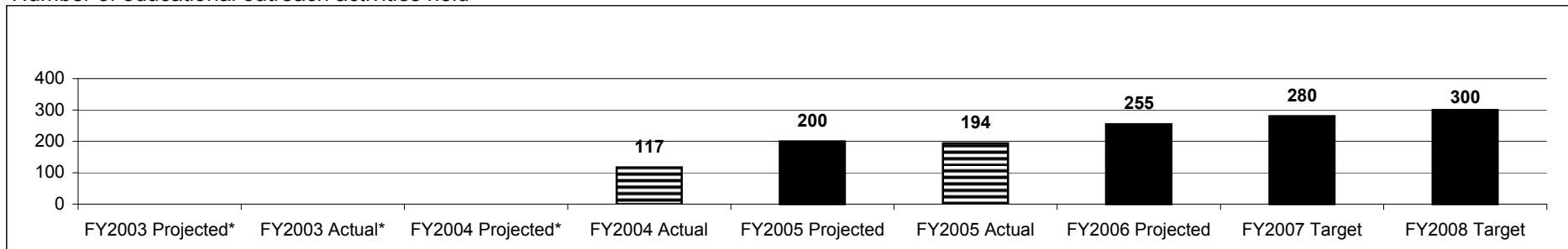
Department of Insurance

Health Insurance Counseling

Program is found in the following core budget(s): Health Insurance Counseling

7a. Provide an effectiveness measure.

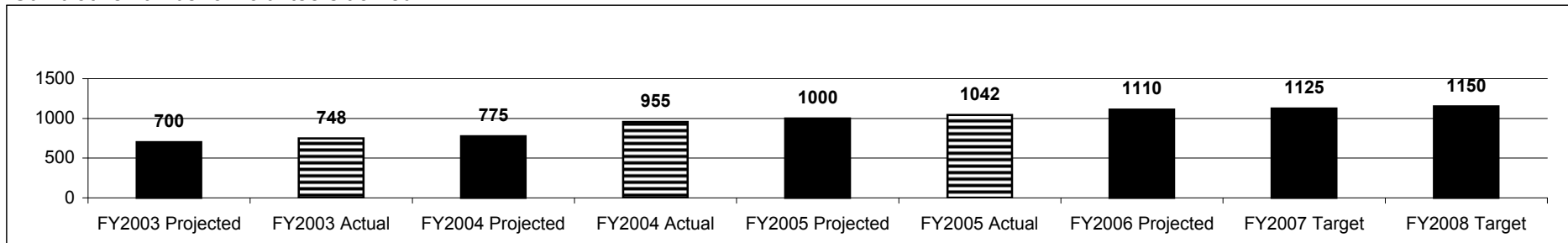
Number of educational outreach activities held



*New measure. No data prior to FY2004.

7b. Provide an efficiency measure.

Cumulative number of volunteers trained



7c. Provide the number of clients/individuals served, if applicable.

	FY2003		FY2004		FY2005		FY2006	FY2007	FY2008
	Proj.	Actual	Proj.	Actual*	Proj.	Actual	Proj.	Target	Target
Seniors counseled	9,000	12,788	13,000	5,412	8,000	12,589	15,000	15,500	16,000

*Starting in FY2004, the program began education and outreach activities to seniors on new Medicare changes; therefore less individual counseling occurred, but a greater audience was reached on federal program changes.

7d. Provide a customer satisfaction measure, if available.

Not available

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HEALTH INSURANCE COUNSELING								
CORE								
PROFESSIONAL SERVICES	0	0.00	200,000	0.00	0	0.00	0	0.00
TOTAL - EE	0	0.00	200,000	0.00	0	0.00	0	0.00
PROGRAM DISTRIBUTIONS	639,248	0.00	600,000	0.00	800,000	0.00	800,000	0.00
TOTAL - PD	639,248	0.00	600,000	0.00	800,000	0.00	800,000	0.00
GRAND TOTAL	\$639,248	0.00	\$800,000	0.00	\$800,000	0.00	\$800,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$439,248	0.00	\$600,000	0.00	\$600,000	0.00	\$600,000	0.00
OTHER FUNDS	\$200,000	0.00	\$200,000	0.00	\$200,000	0.00	\$200,000	0.00

DEPARTMENT OF INSURANCE

DECISION ITEM SUMMARY

Budget Unit									
Decision Item	SUPPL DEPT	SUPPL DEPT	SUPPL GOV	SUPPL GOV					
Budget Object Summary	REQUEST	REQUEST	RECOMMENDED	RECOMMENDED					
Fund	DOLLAR	FTE	DOLLAR	FTE					
DEPT ADMINISTRATION									
PAYMENT OF BOND PROCEEDS - 2375001									
PROGRAM-SPECIFIC									
DEPT OF INSURANCE DEDICATED	50,000	0.00	50,000	0.00					
TOTAL - PD	50,000	0.00	50,000	0.00					
TOTAL	50,000	0.00	50,000	0.00					
GRAND TOTAL	\$50,000	0.00	\$50,000	0.00					

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NEW DECISION ITEM

RANK: 5 OF 5

Department of Insurance	Budget Unit <u>37051C</u>
Department Administration	
Payment of Bond Proceeds	DI# 2375001

1. AMOUNT OF REQUEST

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	50,000	50,000
Total	0	0	50,000	50,000

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
--------------------	---	---	---	---

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Fed	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	50,000	50,000
Total	0	0	50,000	50,000

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
--------------------	---	---	---	---

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input checked="" type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: <u>Special appropriation to reimburse insurance company</u>	

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

Clarion Benefits Administration, LLC, a licensed third party administrator (TPA), administered a group dental insurance benefit program for Assurity Life Insurance Company. The TPA was required to pay claims made by certain dental health care providers and received insurance premiums on behalf of the insurance company. Prompted by a complaint, Assurity Life began investigating the TPA, including getting a court to order an audit of Clarion. The audit uncovered that Clarion knowingly withheld claims payments owed to the dental health care providers, which Assurity Life was forced to make good on. Clarion received nearly \$103,000 in insurance premiums for Assurity Life, but failed to account for over \$101,000. Assurity Life forwarded the department a copy of the audit report, which served as the basis for the revocation of Clarion's license and for the department's claim against Clarion's statutory bond of \$50,000. The department recovered against the bonding company and deposited the \$50,000 payment into the Insurance Dedicated Fund. Because Assurity Life was aggrieved by the conduct of Clarion, the department is requesting an appropriation of \$50,000 in restitution from the Insurance Dedicated Fund to Assurity Life Insurance Company.

NEW DECISION ITEM

RANK: 5 OF 5

Department of Insurance	Budget Unit <u>37051C</u>
Department Administration	
Payment of Bond Proceeds	DI# 2375001

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The bond amount deposited into the Insurance Dedicated Fund was \$50,000.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
							0	0.0	
							0	0.0	
Total PS	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>
							0		
							0		
							0		
Total EE	<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>		<u>0</u>
Program Distributions					50,000		50,000		50,000
Total PSD	<u>0</u>		<u>0</u>		<u>50,000</u>		<u>50,000</u>		<u>50,000</u>
Grand Total	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>50,000</u>	<u>0.0</u>	<u>50,000</u>	<u>0.0</u>	<u>50,000</u>

NEW DECISION ITEM
RANK: 5 OF 5

Department of Insurance	Budget Unit <u>37051C</u>
Department Administration	
Payment of Bond Proceeds	DI# 2375001

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
							0	0.0	
							0	0.0	
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
							0		
							0		
							0		
Total EE	0		0		0		0		0
Program Distributions					50,000		50,000		50,000
Total PSD	0		0		50,000		50,000		50,000
Grand Total	0	0.0	0	0.0	50,000	0.0	50,000	0.0	50,000

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a.	Provide an effectiveness measure. N/A	6b.	Provide an efficiency measure. N/A
6c.	Provide the number of clients/individuals served, if applicable. N/A	6d.	Provide a customer satisfaction measure, if available. N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:
N/A

DEPARTMENT OF INSURANCE

DECISION ITEM DETAIL

Budget Unit	SUPPL DEPT	SUPPL DEPT	SUPPL GOV	SUPPL GOV				
Decision Item	REQUEST	REQUEST	RECOMMENDED	RECOMMENDED				
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE				
DEPT ADMINISTRATION								
PAYMENT OF BOND PROCEEDS - 2375001								
PROGRAM DISTRIBUTIONS	50,000	0.00	50,000	0.00				
TOTAL - PD	50,000	0.00	50,000	0.00				
GRAND TOTAL	\$50,000	0.00	\$50,000	0.00				
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS	\$50,000	0.00	\$50,000	0.00	\$0	0.00		0.00